FINANCIAL TIMES

No. 26,817 Tuesday November 11 1975 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Ptas.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Lisbon rule ends in Angola

...e hundred years of Portu... rule in Angola—and in ...ica—ended at midnight last ...nt. As her departing High ...mmissioner recognised the ...reign State of Angola, heavy ...tar fire could be heard ...ween rival MPLA and FNLA ...es 15 miles from Luanda, capital.

...he Soviet-backed MPLA, expected to announce a ...onal Government there under presidency of Dr. Agostinho ...o. Eleventh-hour efforts by ...tugal and the Organisation of ...ican Unity to set up a Govern...nt embracing MPLA and its ...ls, the Zaire-backed FNLA the smaller UNITA, had ...ed.

...resident Amin of Uganda, ...irman of the OAU, ordered expulsion of the Soviet ...bassador in Kampala because ...Soviet backing for the MPLA.

...n Lisbon, embittered White ...igees from Angola were last ...ht planning a big march. The ...tuguese authorities fear that 350,000 refugees, many of ...m dispossessed and jobless, ...l spark a Right-wing backlash. ...k, pages 6, 20.

...tormont report ...nacceptable'

...report of the Protestant-...inated Northern Ireland ...stitutional Convention, which ...handed over yesterday to Merlyn Rees, recommends ...t there should be a transfer ...Stormont of control of the ...urity forces. But in a state...nt to the Commons, the ...rthern Ireland Secretary ...plied that the Government ...ld reject the recommenda...ns as unacceptable. ...ge 12

...orocco claims ...ahara 'gains'

...ague promise of a negotiated ...tlement with Spain was all the ...roccan Government had to ...r the 350,000 "peace ...rchers" who were drifting ...k to Morocco yesterday after ...upying a small patch of ...nish Sahara. Back Page. ...itorial, Page 20

...oma girl to ...e kept alive

...Morristown, New Jersey, judge ...ed that 21-year-old Karen ...ne Quinlan, in a coma with ...in damage for seven months, ...st be kept alive indefinitely by ...machine. Her parents had ...ght permission to have her ...-giving respirator discon...ted.

...ehousing aid

...e Government announced ...nts of up to £1,000 for re...using unemployed people if ...y have to move to find work. ...ge 13

...ripe for Burton

...Bangers and mash" and tripe ...d onions headed the menu at ...t night's Dorchester Hotel ...rty to celebrate actor Richard ...rton's 50th birthday.

...ardcastle dies

...illiam Hardcastle, one of ...itain's best-known broad...sters, died yesterday. A former ...itor of the Daily Mail, he had ...en the presenter for the past ...n years of the BBC radio news ...ogramme "The World at One." ...was 57.

...riefly . . .

...ational Gallery claims that a ...inting lent to the Royal ...ademy for this year's Turner ...hibition has come back with ...a slight split."

...ord Hesketh said that unless ...sponsor comes forward by ...riday with about £300,000 there ...ould be no Hesketh car in next ...ar's Grand Prix races. Page 8

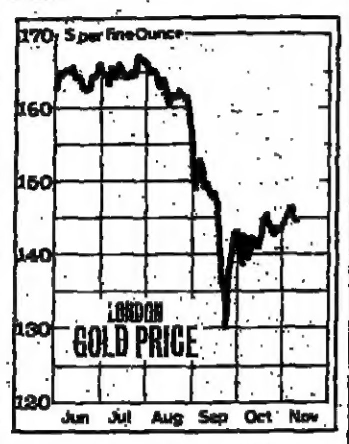
...rchbishop of Canterbury called ...r voluntary pay cuts as a ...eans of combatting unemploy...ent. Page 8

BUSINESS

Gilts firm; equities decline

● GILTS were encouraged by the IMF loan and hopes of a cut in the Minimum Lending Rate, with gains ranging to ½. The FT Government Securities index rose 0.26 to 58.51.

● EQUITIES declined, with the FT 30-share index losing 1.9 to 367.4.



● GOLD lost $1 to $144½.

● STERLING gained 10 points to $2.0660; its weighted depreciation was unchanged at 29.3 per cent. The dollar's was also unchanged at 2.78 per cent.

● WALL STREET closed 0.32 down at 835.48.

● U.S. MAIZE crop for 1975 will will be a record, according to a leading crop forecaster. He predicts production of 5.868bn. bushels, well above the 5.646bn. previous record in 1973. Page 27

Rail agreement on redundancies

● BRITISH RAIL reached agreement with the three rail unions last night on new redundancy terms which will allow the service cuts planned for the New Year to go ahead. Back Page

● NORTH SEA oil companies are expected to order four fire-fighting vessels worth £30m. in the next few weeks, probably from British yards. Back Page. The first oil from BP's Forties Field was pumped into the Grangemouth refinery in Scotland and should be available as petrol on Monday. Page 11. In the Commons, Mr. Anthony Wedgwood Benn, Energy Secretary, said there would be no discrimination against foreign companies in the coming North Sea licensing round. He said Japanese interest is "very strong." Parliament, Page 14

● SHOP STEWARDS at Rolls-Royce (1971) in Scotland have dropped their claim for £15 a week rises for about 6,000 manual workers. However, they now dispute the Government's interpretation of the pay policy that increased overtime is included within the £6 limit. Page 13

● PENGUIN is acquiring a majority interest in Viking Press, a U.S prestige hard-back publishers, for up to $9m. The deal folows the break-down of Anglo-U.S. publishing agreements due to anti-trust moves in America. Back Page

● JAPANESE shipping industry slump has intensified, with half-time reports from four of the six biggest lines showing only Mitsui Osk with higher revenues than last year. Page 25

COMPANIES

● JOHNSON AND FIRTH BROWN proposes early conversion of loan stock to enable reduction in borrowings to 76 per cent. of shareholders' funds. Full acceptance would mean issue of 6.68m. Ordinary shares. Page 22 and Lex

● LUCAS pre-tax profit for the year to August rose to £32.34m. (£17.64m.). The group gained from strong world-wide demand for its diesel engine equipment. Page 24 and Lex

● ACROW first half pre-tax profit rose to £3m. (£2.310m.) while exports increased to £28.09m. £15.06m.). Interim dividend is 2p (1.75p). Page 24 and Lex

...HIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

...reasury 3½% '77-80	£79¾xd	+ ⅛
...reasury 13¼% 1997...	£92¾	+ ¼
...mber Day	50	+ 8
...nglo-Amer'n Asphalt	135	+ 15
...von Rubber	53	+ 6
...ank of Scotland	290	+ 8
...ibby (J.)	73	+ 6
...rmid Qualcast	63	+ 4
...ompco	35	+ 5
...osalt	48	+ 5
...ec. & Ind. Secs.	41½	+ 7
...R (Holdings)	210	+ 15
...ripperrods	66	+ 7
...olt Products	37	+ 5
...oover 'A'	317	+ 9
...t. Paint	212	+ 9
...son-Richards (H.R.)	131	+ 11
...ster	38	+ 6
...e's Inds.	38	+ 5
Lucas Inds.	153	+ 7
Marshall Morgan	91	+ 14
Marshall (T.) Inv.	52	+ 4
Newman Granger	19	+ 3
Slimma	40	+ 7
Smiths Inds.	134	+ 6
Sparrow (G. W.)	130	+ 18
Tex Abrasives	38	+ 4
Thomson	221	+ 6
Wigfall (H.)	170	+ 20
Cons. Tea & Lands	410	+ 20
Cons. Murchison	760	+ 30
Laurasia	43	+ 7
Middle Wit.	390	+ 10

FALLS

A. P. Cement	192	− 5
EMI	219	− 11
London United Inv.	57	− 5
Ball & Collins	55	− 25
Deelkraal	236	− 16
Elandsrand	360	− 15
Western Mining	139	− 7

Raw material costs rise could hit anti-inflation policy

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

Further sharp increases in industry's raw material costs are continuing to cast a shadow over the fall in the U.K. rate of inflation during recent months.

Figures published by the Department of Industry show that although still 21.7 per cent. up on October last year, the wholesale index of average output prices—goods leaving the factory gates—rose at an annual rate of 12¼ per cent. in the latest three-monthly period of August-October.

This is reassuring news, and compares with an annual rate of increase of double this figure earlier in the year. Given the normal time-lag of several months before the output prices index is reflected at the retail stage, the slowdown ought to *show up in the familiar cost of* living index early next year.

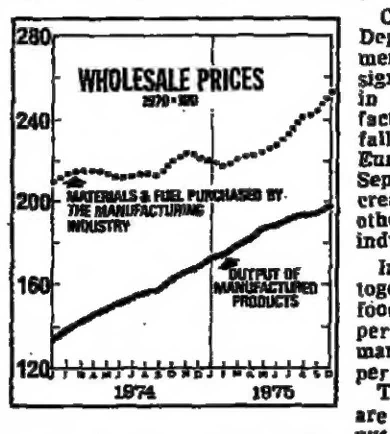
It is, however, somewhat overshadowed by the fact that, unlike experience at a similar stage in past recessions the wholesale index of industry's raw material costs is shooting up.

During October alone, the average price of materials and fuel purchased by British industry jumped a further 3¾ per cent.

This means that, *after* the slowdown earlier this year, the DI's index of raw material and fuel costs has risen 8.2 per cent. in the past three months, to a point 14.6 per cent. above October, 1974.

While this implies a very high annual rate of increase, it is however, possible that some of the major influences on the index in recent months are, if not exactly non-recurring, at least unlikely to recur so dramatically.

It is understood that 2.1 per cent. of the 3¾ per cent. rise in the materials index last month was due to the October 1 increase in the price of crude oil, and a further 0.4 per cent. was directly attributable to the effect on the oil price of the



decline in the sterling dollar rate (which fell from $2.1060 on September 1 to $2.0410 *on* October 1).

In contrast to the previous two months, when the food industry's material costs were a *major factor, last month it was* the index for non-food industries which showed the biggest increase—up 4¼ per cent., against 1¾ per cent. for materials and fuel purchased by the food *manufacturing* industry.

It was noteworthy, however, that although something like half the food index represents imports, last month many of the principal price increases were domestic — including fish, potatoes and home-grown cereals.

On the non-food side, the Department of Industry commented yesterday: "There are signs of an end to the decline in world prices of semi-manufactured goods, and sterling's fall with respect to most *European currencies between* September and October has increased the prices of these and other imported goods to British industry."

In the past three months taken together, material costs to the food industry have risen by 12 per cent., and to the rest of manufacturing industry by 6.1 per cent.

The food and oil price increase are likely to feed through to output prices *early in the new year.* They are a sober reminder of the pressures weighing against the Government's chances of getting the rate of increase in the retail prices index down to single figures "year on year" by the end of 1976.

They certainly bear out the

Continued on Back Page
Editorial comment Page 20

Labour Left hear IMF plan in silence

BY PHILIP RAWSTORNE

THE GOVERNMENT'S application for a £975m. loan from the International Monetary *Fund would require it to consult the Fund about any* proposals for import controls. *Mr. Denis Healey, Chancellor* of the Exchequer, told the Commons yesterday

He insisted, however, that the terms of the loan would not not automatically rule out any import control policy.

Mr. Healey said that in informal talks with the IMF managing director, he had drawn attention to recent Government statements about its willingness to consider selective con*trols where industries were* seriously threatened by imports.

Mr. Healey, who surprisingly faced no opposition yesterday *from the Labour Left-wing, was* warned by Mr. James Wellbeloved (Lab., Erith and Crayford) *not to be misled by the* silence into believing there was not a substantial body of Labour opinion in favour of selective import controls.

However, last night it became apparent that the Government is heading for a confrontation with the National Executive of the Labour Party over the question of import controls. Yesterday the NEC's Home Policy Committee agreed to a *Left-wing resolution calling on* the Government to reduce imports by something like £3bn. a year.

The resolution will be considered and almost certainly adopted by a full meeting of the NEC on November 26. In the afternoon of the same day the executive is due to meet the Cabinet *and is likely to seize* the opportunity of placing the demand for import controls before Mr. Wilson and Mr. Healey.

The home policy resolution is a victory for the Left and the Tribune Group which has been pressing for import controls. It was proposed by Mr. Eric Heffer a new but already prominent Left-wing member of the executive.

The home policy meeting also had before it a document from the Transport House research department which was highly critical of Government economic policy and also advocated import controls which, it said, must play a major part in reviving the British economy. This will go forward for consideration at the meeting of the executive of *November 26 as will the Left*-wing policy document "Labour and Industry" that was adopted at the party's annual conference last month.

Parliament, Page 14

BSC to seek further big cuts in jobs

BY ADRIAN HAMILTON

THE BRITISH Steel Corporation is expected to seek further major cuts in its labour force *next year* when it meets the TUC Steel Industry Consultative Committee *to discuss manning problems on* Thursday.

No details of the cuts being sought have been revealed. But they appear to be substantial—quite possibly on a similar scale to the hotly-debated 20,000-man reduction suggested by Sir Monty *Finniston, chairman of the* corporation, last March.

They would be over and above the measures for reducing labour costs which have already been agreed with the unions in a series of meetings during the summer and would "inevitably *be part of the industry's long*-term strategy for reducing overmanning.

This year's measures, which followed the Government and unions' *rejection of Sir Monty's* call for an immediate 10 per cent. cut in the industry's 220,000-man labour force, are thought already to have achieved a reduction of nearly 10,000 men with more expected before the end of the year.

British Steel's desire to take these cuts even further comes at a time when the industry's losses are running at over £5m. a week and its half-year results, expected *shortly*, are likely to show a total deficit of well over £100m. between April and September.

The move, which appears *already to have been informally* conveyed to the Government, also follows directly from the Chequers meeting between unions and employers last week, *when steel was mentioned among* those industries whose performance could be improved through greater productivity and more labour-saving investment.

Better hearing

Against this background of deepening recession in the *industry and greater Government* determination to improve indusrial performance, the BSC is hoping its latest proposals will get a better hearing than on previous occasions when its senior executives had raised the problem of over-manning.

Whether the unions will see it this way, particularly because of the regional problems that any closures might entail, remains to be seen.

In meetings held in May, July and September, the various unions involved in the TUC Steel Committee have so far strongly resisted any compulsory redundancy moves or any attempt to concentrate production and employment on the *larger, more modern plants.*

But, as the world recession in steel demand has steadily grown worse, they have agreed first to voluntary redundancies, coupled with selective closures of individual blast furnaces and then, *in July, to selective* redundancies among workers over *60 years old and employees with* less than a year's service.

These measures appear to have been reasonably effective, although the exact figures will not be known until they are revealed on Thursday.

After an increase of nearly *8,000 employees* during the financial year 1974-75, partly because of the build-up of labour in the corporation's North Sea platform construction site at Methil in Scotland, the trend seems to have been largely reversed, again partly because of *lay-offs* at Methil. There also appears to have been some success in reducing employment among the over-60s.

Little sign

Despite the cuts, which could reach some 6-7 per cent. of the labour force by the end of the year, *and despite various cost*-saving exercises, the corporation's financial losses are thought to have continued to grow.

With little sign of an upturn in demand until the second half of next year, the BSC clearly feels that further action will have to be taken to cut cots.

The *present attempt, along* with the dispute over blast-furnacemen's pay at the new furnace at Llanwern, could also become one of the first major tests of the unions' willingness to accept the practical implication of the new industry strategy, with its emphasis on reducing over-manning one the one side and building up alternative growth in manufacturing industry on the other.

Our Labour staff adds: Any request by the BSC for further massive redundancies next year is expected to meet stiff union opposition: So far, the unions have not even been alerted to the possibility of such a request.

They do, however, expect further appeals from the corporation to help improve its cash-flow position, which they have been told remains serious although the trading situation has *stopped deteriorating.*

£ in New York

—	Nov. 10	Previous
Spot	$2.0660-0680	$2.0655-0667
1 month	0.88-0.83 dis	0.85-0.81 dis
3 months	2.47-2.42 dis	2.45-2.41 dis
12 months	8.00-7.92 dis	7.98-7.55 dis

Wilson sees 'bleak months' for living standards

BY JOHN BOURNE, LOBBY EDITOR

THE PRIME MINISTER last night warned Britain that as a result of the Government's determination to fight inflation there would be "some very difficult, indeed bleak months ahead, when real living standards will assuredly fall."

In his speech to the annual *Lord Mayor's banquet in Guild*hall, London, Mr. Wilson argued that the world trade crisis made it more essential than ever to press on without respite or weakness in the battle against inflation.

"There can be no let up," he *said.* "*We have made great* progress in ensuring that pay settlements remain within the limit, agreed on the basis of consent and approved by Parliament, and we shall insist on continuing to do so."

There was no other answer than *falling living standards to* the besetting world and national problem of unemployment, he said, although in the difficult months ahead "we have to ensure that unemployment does not in turn become the father and mother of further damaging *inflation.*"

The country had to ensure that when world activity revived—and there were signs that this was beginning to happen—it was not precluded by uncompetitive costs and prices from exerting its full effort in export markets.

Britain also had to ensure that its efforts did not fail because of inadequate capacity in terms of investment in plant and machinery, which as past recoveries had shown, tended to *impose constraints on produc*tion and deliveries at an increasingly early stage in recovery.

The Prime Minister said that given the national determination *he had called for,* "we have reason to be hopeful that we shall be well placed to benefit from an upturn in world trade. In a world of shrinking trade, for the first time for many years we have been able to increase our share of world trade."

Remarkable increases had been shown in Britain's trade with new markets in the Middle East and Mr. Wilson was confident "the best is yet to come."

Britain's export achievement this year had made a major contribution to the fact that the *current account deficit* was running at only a little more than half the rate last year.

After referring to the Chequers talks last week on a new approach to an industrial strategy, Mr. Wilson said the Government would contribute *through financial assistance and* other policies to ensure that industry was able to earn sufficient profits to permit and encourage enterprises to expand.

"The financial institutions must stand ready to see that the long-term investment needs and *prospects of industry are given* priority over short-time quirks of fashion and speculative manoeuvres which add nothing to the productive, wealth-producing, capacity of this *country.*"

He said Britain had suffered under successive Governments of all parties not only from inadequate capital investment, but also *from* investment which was too often misdirected. "Equally we have not had the return on that investment, in production or exports, pound for pound, that some of our trading competitors have had."

Mr. Wilson said that a time of *deep industrial recession was not* appropriate for tackling endemic problems of over-manning in some industries, though this must be a high priority as recovery proceeded.

The Prime Minister argued that more fundamentally, too small *an industrial and export base* was carrying too large a load of demand on resources, and that this overloading had occurred both in the public sector, and in *one recent boom,* in areas of the private sector, particularly property.

"I am not of course referring to those private-sector activities, many of them concentrated in the City, which have led to such prodigious achievements in increasing our invisible earnings."

Archbishop calls for voluntary pay cuts Page 8

Burmah director for Ferranti

BY CHRISTOPHER LORENZ

FERRANTI'S search for a new managing director ended yesterday with the announcement that *Mr. Derek Alun-Jones, the 42*-year-old director in charge of Burmah Oil Trading's industrial division, will take up the post early next month.

The appointment has been made by the company, but with the close co-operation of the National Enterprise Board, which will hold the Govern*ment's 50 per cent. stake in* Ferranti's voting equity.

Mr. Alun-Jones said last night that Ferranti's problems must be diagnosed, and solutions decided, within six *months to* a year, though it might take longer to implement remedies. He admitted that the company had tried to carry out too many diversified operations on its narrow base, and said he was aiming to get a "proper return" *on capital employed.*

The appointment of a new managing director in succession to Mr. Sebastian de Ferranti—who is staying on as chairman, was part of *this summer's rescue* package, under which the Government injected £15m. and took a 50 per cent. stake. Ferranti went to Whitehall for assis*tance 14 months ago,* when it ran into severe financial difficulties.

Mr. Alun-Jones was educated at Lancing College and St. Edmund Hall, Oxford, where he *read law. In 1957* he became assistant secretary of Philips Electrical in the U.K., and was called to the bar the following year. From 1959 to 1960 he was company secretary and then general manager of H. C. Stephens.

In 1960 he embarked on what proved to be an unbroken 15 years of employment with the same group by joining Expandite as company secretary. In 1962 he was appointed to the Board shortly after the company was taken over by Castrol, and became *managing director* when Castrol merged with Burmah at the end of 1966.

In 1971 he became managing director and chief executive of *Burmah Industrial Products,* and in January, 1974, took over his present position as head of a division which includes Quinton Hazell, Halfords, Rawlplug and *Expandite.*

Men and Matters, Page 20

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

LOMBARD

Measuring stick for currencies

BY C. GORDON TETHER

WE now live in a world wherein the composition of every nation's economic "mix" can be materially altered between one week and the next by changes in international exchange rate patterns over which it can exercise little—if any—control. So it is vitally important that it should be able to keep itself well-informed about the state of the score so far as the relationship between its own currency and the rest are concerned.

But what measuring stick is it to use for this purpose when the onward march of the floating rates fashion has destroyed all the old-established accepted methods of charting the behaviour of the world's currencies?

A preview of a report on an investigation the International Monetary Fund is carrying out into the calculation and use of indices of "effective exchange rates" shows that this is an even more complicated business than one might at first suppose.

Differences

The Fund study points out that, in analysing the effects of movements in the exchange rates of several currencies that occur either simultaneously (as in a negotiated currency realignment) or within a short period, it is generally convenient to employ for each country an index that measures the average change in the country's exchange rate against all other *currencies.*

It goes on to point out that, to make such an exercise more realistic, a weight representing the comparative importance to the home economy of each foreign currency is applied to the value—relative to a chosen base period—of the exchange rate betwen the foreign currency in question and the home currency.

The report then lists some of the best-known indices now regularly calculated—those of the Morgan Guaranty Trust Company, Reuters, the U.S. Treasury, the U.K., the OECD and the IMF itself. And it also sets out the differences between them—usually arising from the choice of base period, the partner countries included, the calculation of proportionate changes in exchange rates, the weights used in averaging these changes and the type of averaging formula used.

In relation to the number of partner countries, for instance, the great majority use between ten and 24.

The interesting question, of course, is how far the results obtained by working with one index rather than another differ significantly from one another. And, to throw some light on this, the Fund's researchers recalculated five of the more popular types of index, using the same set of exchange data (monthly average of daily noon rates in *New York), the same basic date* (May, 1970) and the same sample of countries (14 industrialised countries plus Australia and six other countries whose exports of manufactures exceeded one billion dollars in 1970).

The five selected for the purpose were the import-weighted index, the bilateral export-weighted index, the average bilateral trade-weighted index, the global export-weighted index and the Fund's own multilateral exchange rate model.

A detailed analysis of the movements recorded by the last three of these indices for eight leading countries demonstrates that, while in the shorter run they may stay fairly close together, in the longer-term they *can diverge in quite marked* degree. For example, the global export-weights index for the Japanese yen shows the effective exchange rate as now being back to within close distance of the 1970 level. Yet, calculated on the basis of both the bilateral *trade-weight and multilateral* exchange rate indices, it still shows a yen appreciation of around 15 per cent. from that time.

Complexities

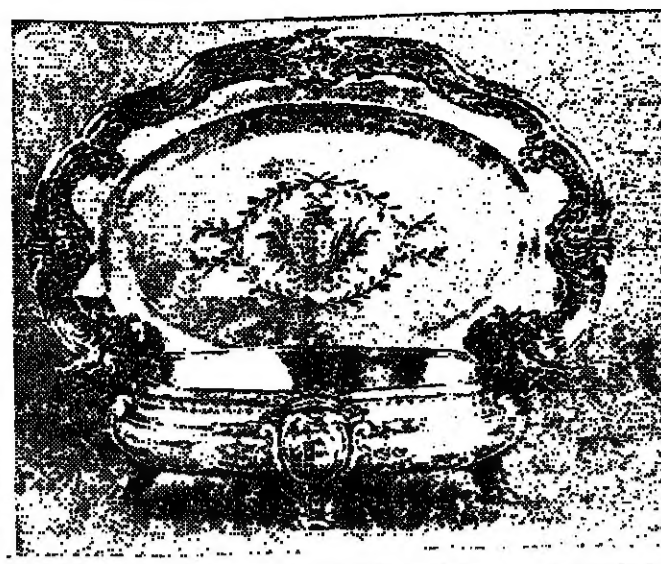
Similarly, there are differences of the order of 10 per cent. in the range of appreciations recorded by the French franc, the German mark and the Swiss franc since 1970.

The moral, as the IMF study *points out, is that the choice of* the method to be followed for determining the "effective exchange rate" must depend very much on the nature of the purpose of the exercise. Where, for instance, an index is to be used largely in connection with calculating or examining the effect of exchange rate movements on the trade balance, it ought to use as weights some estimates of the relative influence of changes in the prices of foreign currencies on the trade balance of the home country.

Yet the very fact that it is necessary to employ a variety of indices to get the best results points to another way in which the floating rates fashion is adding to the complexities of modern economic life. It is going to be hard enough to explain such a necessity to politicians. What will the public at large make of it?

SALEROOM BY ANTONY THORNCROFT

Books and bronzes in demand



One of a pair of silver Louis XV jardinieres and stands by Thomas Germain, expected to set a record in Christie's Geneva sale to-day.

THE LONDON salerooms came into their own yesterday with two very fine sales at Sotheby's. A private collection of illustrated books and prints, most of them printed in the 18th century, sold exceptionally well, totalling £111,968, and another individual collection, which had belonged to Peter Adam, consisting of ancient Iranian bronzes and silver, went just over the esti*mate at £142,741.*

Sotheby's had been expecting about £80,000 for the books, but the demand for good illustrated works seems insatiable and only one of the 150 lots was unsold.

The top price was £9,500, with*in forecast, paid by* C. W. Traylen for an Italian work of 1767-76, *Storia naturale degli uccelli*, consisting of five volumes and containing 600 hand-coloured plates. It was the work of Saverio Manetti, Lorenzo Lorenzi and Violante Vanni and *has been described* as "one of the half dozen or so Great Bird Books in the collector's sense."

Other good prices were the £7,600 for another Italian work, by Giuseppe Zocchi, a 1744 first edition of his views of Florence, with 50 illustrations; the £6,500 by Colnaghi for Dupré's 1825 work *Voyage à Athènes et à Constantinople* with 52 illustrations; and £5,200 from Quaritch for Sir William Hamilton's book of his own collected classical antiquities which he had produced at Naples in 1766 at a cost of £6,000.

There was steady buying on behalf of Middle Eastern customers. The highest price was the £12,000 for an Achaemenid silver dish of the 5th century BC carrying an inscription of Artaxerxes I, and obviously used at his court.

A French dealer, C. Spruill, gave £8,000 for a pair of bronze cheekpieces from a horse's bit, made in what is now Iran in the 7th-8th centuries BC. This equals the record set at Sotheby's in June for a Luristan bronze.

A private collector paid £6,800 for a Luristan *bronze* horse's bit of the first half of the first millenium BC, and £6,000 each was given for another Luristan horse's bit and for a bronze axehead of the second millenium BC.

RACING BY DARE WIGAN

Burwell suited by the autumn

SUCH IS the preponderance of runners at to-day's flat racing fixture at Haydock that there are nine races on the programme, the most valuable being the Claude Harrison Memorial Challenge Trophy Handicap (2.45) run over five furlongs.

Last year the corresponding event was won by *Burwell*, a horse who seems to reserve his best form for the autumn; and though he disappointed when only third to yesterday's Chepstow winner, Faridina, and to Princess of Verona over course and distance here at the beginning of the month, he appears to have plenty in hand of *Clear Melody* judged on that running. *Moreover, a line taken through* Faridina, based on the result of the Beechfield Handicap at Doncaster on October 24, suggests that he will be too good at the weights for *My Eagle* and *Rubydar*.

I may be wrong in thinking that *Gambling Melody* has got into the St. Anne's Plate (1.15) lightly with 8 st. 3 lbs, but I am of the opinion that her second to Conning Tower at Pontefract on October 2, followed by a close fourth behind Stark Ribot at Catterick, where according to Raceform Note-Book, she was squeezed for room in the closing stages, suggests that this may be the case and I look to Michael Stoute's filly to prove it.

HAYDOCK
1.15—Gambling Melody***
2.45—Burwell**
3.15—Proud Felix
3.45—Princess Ragusa*

FOLKESTONE
1.15—Water Bailiff
3.15—Jan Stewer

HEXHAM
1.30—Never There
2.30—Lord of the Hills
3.00—Temple Rise
3.30—Two and a Quarter

NOTTINGHAM
1.00—Spring Life
2.30—Zarach

The Blackburn Nursery Handicap (3.15) poses a tricky problem, but I hope to have done the right thing in nominating *Proud Felix*, who divided *Magnolia Lad* and *Minstrel* at Sandown last month — since when Minstrel has totted up in a similar type of event at Newmarket.

There were 54 acceptors at the four-days' declaration stage of the Southport Maiden Plate for two-year-olds, run over one mile, and although it has been split into three divisions, I am unable to detect the likely winner of any of them. But *Princess Ragusa*, who, like many of the progeny of her deceased sire, Ragusta, is improving with age, looks a reasonable proposition in Div. II of the Blackpool Maiden Stakes (3.45).

Unlike owners and trainers of flat racing horses, who are indulging in a last-minute scramble for prize money, those responsible for jumpers are waiting patiently for rain to ease the going. However, among runners at to-day's three National Hunt meetings at Folkestone, Hexham and Nottingham, are several who have shown ability to act on firm ground and who appear to have prospects of winning.

FILM AND VIDEO BY JOHN CHITTOCK

A silly walk to success in sales training

WHEN four established talents in television told me over three years ago that they were going to enter the sales training film business, dominated by the all-powerful Rank Organisation, a polite reaction was almost inevitable. The four were Michael Peacock, then one of television's whizz-kids, Tony Jay, writer, producer and one-time editor of the BBC's *Tonight* programme, Peter Robinson, a prolific director of television and sponsored films, and John Cleese, the maestro of silly walks and grim fun. They formed Video Arts, which released its first film, *Who Sold You This Then?* in October 1972. Rentals in England and Wales of *Who Sold You This Then?* number 870 (current hire charge £37.50 for two days) and sales 225 (price now £185).

Since the direct cost of the film was well under £10,000, additional business in other territories is handled by 15 foreign distributors, and there is no reason why the film should not have a life of at least 10 years. Video Arts has plenty of cause to feel satisfied.

Entertainment

This first film was a better, or at least different, kind of mousetrap compared with the Rank variety because it brought to the sales training film a silly type of humour and the face of a well-known comedian, John Cleese. It also established the policy, which has survived in all Video Arts films, to place more emphasis on entertainment value, even though many Rank sales training films have contained plenty of humour. It is also worth adding that, together, Rank and Video Arts have delivered a bloody nose to the U.S. sales training film producers who had previously monopolised the business with pedestrian films that endeavoured to elevate human behaviour to the precise science of cosmo-mathematics.

Video Arts has capitalised on that first success with energy and speed and now has 17 films in the can just three years *after* its formation. The financial success of the first was almost exceptional, and only one other title, *Man Hunt*, challenges it and will in time overtake it. Since it release about 14 months ago, rentals of *Man Hunt*, an exposure of bad and good job interviewing, have reached 175 and sales 102 in England and Wales. That these films are exceptional in the total list of 17 is indicated, perhaps, by the gross turnover of the company which has risen from £57,000 in 1972-73 to an expected £230,000 in 1974-75. Not all films are outstanding winners, although a fourfold growth in three years is no mean record.

Critics

There are critics of the Video Arts formula for film-making, because it really is a formula. *Training* points are well-surrounded by incident and humour, and for some this is too much of a distraction from the serious business of learning. Video Arts counter by asking why *training should be* such *a grimly serious subject. Indeed*, if an audience enjoys a film, there is plenty of evidence to show that they will assimilate its messages more readily.

In any case, film is at its best as a motivational rather than didactic instrument, setting the scene for instructional follow-up and exposing the emotional pith which is at the centre of all kinds of human challenge. The two latest from Video Arts are both about the use of the telephone in selling: *When I'm Calling You* and *Will You Answer True?* Each is ruthlessly funny but painful in showing situations we all know only too well: the switchboard operator who leaves a custo hanging on or fails to him correctly with his inquiry; and the unhel salesman when correct nection has finally achieved.

Video Arts tells one story which a satisfied user cla that the use of its training had increased sales by cent. Such precision in eva ing their effectiveness possible because the audi were sewing machine demonstrators; those expose specially held screenings away and immediately impro their performance by average of 14 per cent. In

Coup

The latest coup for V Arts has been a deal with Television allowing trans sion of some of the film Further Education slots. current run continues another two weeks on Mondays, at 7 p.m. Reve from this deal has not been important factor for the pany, but it has taken a lated risk that more book and sales will result from screenings. It is also true some pirating, by videocass users, is also believed to taking place.

The success of Video Art largely attributable to a balanced mixture of enthusia creative talent, intelligence commercial sense. It is rare *find all four qualities* in film industry. It is also unusual to find that the pe who put up the money are same ones who write, prod direct, act, promote and tribute the films: a work co-operative, even if in case the motive is profit ra than job security. There be a moral in that somewhe as well as a good sales trai point.

TV/Radio

† Indicates programme in black and white

BBC 1

9.38 a.m. For Schools, Colleges. 12.30 p.m. Bilidowear. 12.55 News. 1.00 Pebble Mill. 1.45 Barnaby. 2.02 For Schools, Colleges. 3.58 Regional News (except London). 4.00 Play School. 4.25 Deputy Dawg. 4.30 Jackanory. 4.45 Animal Magic. 5.05 John Craven's Newsround. 5.15 The Record Breakers. 5.40 Magic Roundabout.
5.45 News.
6.00 Nationwide.
†6.50 "Tarzan's Savage Fury," starring Lex Barker.
8.05 Oil Strike North.
9.00 News.
9.25 Play For To-day.
10.40 To-night.
11.15 Milestones in Working-class History.
11.40-11.42 Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales — 2.40-3.00 p.m. For Schools in Wales. 6.00-6.50 Wales To-day. 6.50-7.15 Heddiw. 7.15-7.40 Ar Saffari. 7.40-8.05 To-morrow's World. 11.15-11.40 Dewch I Siarad. 11.40 News for Wales.

Scotland—6.00-6.50 p.m. Reporting Scotland. 11.15-11.40 Guidance and Counselling. 11.40 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.40 Northern Ireland News Headlines.

England—6.00-6.50 p.m. Look North *(from Leeds, Manchester, Newcastle)*; Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West *(from Plymouth).*

BBC 2

11.00 a.m. Play School.
3.00 p.m. Parents and Children.
3.30 The Do-It-Yourself Film Animation Show.
6.40 Ensemble.
7.29 Weather.
7.30 Newsday.
7.50 The Book Programme.
8.15 Floodlit Rugby League for the BBC-2 Trophy.
9.00 The Musical Time Machine.
9.45 Pro-Celebrity Golf.
10.35 The Old Grey Whistle Test.
11.15 Newsnight.
11.30-11.35 Closedown: Martin Jarvis reads "Brainstorm" by Howard Nemerev.

LONDON

9.30 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Hickory House. 12.30 Regional Flavour. 1.00 First Report: News, FT index. 1.20 Lunch-time To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Couples. 3.00 A Raging Calm. 3.55 General Hospital. 4.25 Look Alive. 4.50 Magpie. 5.20 The Ghost and Mrs. Muir.
5.50 News From ITN.
6.00 To-day.
6.45 Crossroads.
7.10 Tuesday Star Movie: "How Sweet It Is," starring James Garner, Debbie Reynolds and Maurice Ronet.
9.00 The Nearly Man.
10.00 News.
10.30 Warrior.
11.30 His Face Is Familiar—What's He Done?
12.00 Adoption.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Let's Face It. 5.20 Wait Till Your Father Gets Home. 6.00 About Anglia. 7.00 Cartoon Time. 7.15 The Tuesday Movie. 11.30 Reflection.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Around the World in 80 Days. 6.00 ATV Today, including Police Five. 7.00 Cartoon Time. 7.15 The Tuesday Movie: "Funeral in Berlin," starring Michael Caine. 11.30 A Present from the Past. 12.00 Father Paschal.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 The Beachcombers. 6.00 Border News and Lookaround. 7.00 Betty Boop. 7.15 TV Movie: "The Bravos," starring George Peppard. †12.00 Border News Summary.

CHANNEL

1.20 p.m. Channel *Lunchtime News* and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 TV Movie: "The People." 8.25 Time and Again. 11.30 Commentaires et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Houseparty. 5.20 Wait Till Your Father Gets Home. 6.00 Grampian Today. 6.10 Country Focus. 7.00 Cartoon Time. 7.15 TV Movie: "A Howling in The Woods." 11.30 Ski-ing with Gina. 12.00 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 What On Earth? 5.20 Crossroads. 6.00 Granada Reports. 6.35 University Challenge. 7.00 The Tuesday Film: "Harry Black and the Tiger," starring Stewart Granger. †12.00 Alfred Hitchcock Presents.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Help! 5.25 Crossroads. 6.00 Report West. 6.20 Report Wales. 6.40 Survival. 7.30 The Tuesday Film: "The Scalphunters," starring Burt Lancaster. 11.30 Arts Bazaar.

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.25-4.50 Fyny Fan'na. 6.00-6.20 Y Dydd. 6.40-7.10 Sale of the Century. 10.30-11.15 Dan Sylw. 11.15-11.30 Book Review. 11.30-12.00 World in Action.

HTV West—As HTV General Service except 1.20-1.30 p.m. Report West Headlines. 6.20-6.40 Report West.

SCOTTISH

1.20 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Babar. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Nature in Retreat. 7.00 Love American Style. 7.30 *The Tuesday Movie: "The Angel* Wore Red," starring Dirk Bogarde and Ava Gardner. 11.30 Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Betty Boop. 5.25 Crossroads. 6.00 Day by Day. 6.45 University Challenge. 7.15 The Tuesday Film. "The Mask of Sheba," starring Walter Pidgeon. 11.30 Firehouse. 11.55 Southern News.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 Love American Style. 5.20 Emmerdale Farm. 6.00 Today At Six. 7.00 Cartoon Time and Betty Boop. 7.10 "A Howling in the Woods." 11.30 The Greatest Fights of the Century (Foreman v Chuvalo). 11.40 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 The Protectors. 6.00 UTV Reports. 7.00 The Ghost and Mrs. Muir. †7.30 Tuesday Movie: "Village of Daughters," starring Eric Sykes.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Westward Diary. 7.00 TV Movie: "The People." 8.25 Time and Again. 11.30 Westward Late News. 11.33 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Mr. and Mrs. 5.20 Emmerdale Farm. 6.00 Calendar. 7.00 Sylvester and Tweety. 7.10 "Summer Madness," starring Katherine Hepburn and Rossano Brazzi.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Paul Burnett. 12.00 Johnnie Walker, including this week's Top 30 discs, and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT OK! 5.45 Newsbeat. 6.02 As Radio 2. 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S), including 6.15 Pause for Thought. 7.02 Terry Wogan (S), including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S), including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.55 p.m. Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 Sam Costa (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Three in a Row. 7.30 Robin Richmond: The Organist Entertains (S). 8.02-9.00 VHF only. Among Your Souvenirs (S). 8.02-9.30 1,500m only (also 202m Scotland) Football League Cup Special. 9.02 VHF only until 9.30 when 1,500m and 202m Scotland join The Songwriters (S). 10.02 Ian Carmichael's Music Night (S). 11.02 Sports Desk (1,500m only, also 202m Scotland. VHF joins Radio 1). 11.06 Colin Berry with Music to Midnight (1,500m only, also 202m Scotland. VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 464m, Stereo & VHF

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: The Court of Mannheim (S). 9.40 Göbel Trio Berlin (S). 10.35 Bliss: "Morning Heroes"—symphony for orator, chorus and orchestra (S). 11.35 Early Keyboard Music (S). 12.15 p.m. BBC Welsh Symphony Orchestra, part 1: Jeffrey Lewis, Elgar (S). 1.00 News. 1.05 The Arts Worldwide. 1.25 Concert, part 2: Brahms (S). 2.15 Music in our Time (S). 3.00 Orchestral Music (S). 4.10 Faure *and Duparc song and piano recital* (S). 4.55 Jazz Today (S). 5.25 Pied Piper (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 City of Birmingham Symphony Orchestra, part 1: Rimsky-Korsakov (S). 8.15 Science on a Hinge of History. 8.30 Concert, part 2: Bizet, Bernstein (S). 9.30 Drama Now. 10.05 Amadeus String Quartet (S). 11.05 Say Not Soft Things. 11.25-11.30 News.

RADIO 4

434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today, including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today, including 7.27 Sportsdesk. 7.35 Today's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of Today, including 8.27 Sportsdesk and 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (‡ from 9.30). ‡10.00 News. ‡10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Down Your Way. ‡11.45 Hubert Gregg. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute. ‡12.55 Weather, programme news. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (‡ from 2.00) including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Great Expectations (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 My Word!. 6.45 The Archers. 7.00 News Desk. 7.30 City of Birmingham Symphony Orchestra, part 1 (as Radio 3) (S). 8.15 Science on a Hinge of History (as Radio 3). 8.30 Concert, part 2 (as Radio 3) (S). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today in Parliament. 11.30 News.

For Schools (VHF only) 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Downtown. 11.03 In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 206 Showcase. 4.03 Matter of Fact. 4.32 Home Run, including 5.00 and 6.00 London News Desk. 7.00 In Town. 8.00 Holiday Scene. 8.30 All That Jazz. 10.03 Robbie Vincent's Late Night London. 12.00-12.05 a.m. As Radio 2.

London Broadcasting

261m and 97.3 VHF

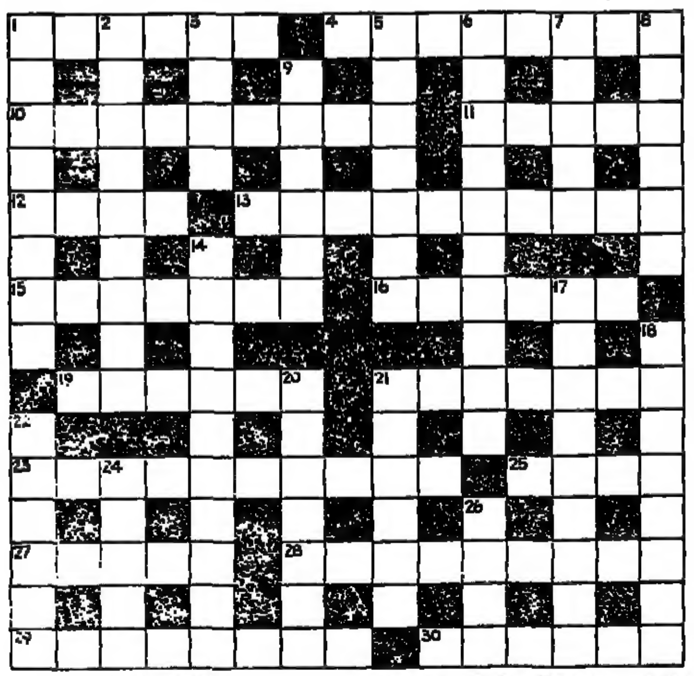
5.00 a.m. Morning Music. 6.00 "A.M."—breakfast-time show. 10.00 George Gale—talking to London. 12.00 Newswatch. 2.00 p.m. Newswatch (second edition). 5.00 Newsbreak. 7.30 London Matters. 9.00 Robin Houston's Nightline. 1.00-4.30 a.m. *Nightwatch.*

Capital Radio

194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (rock show). 11.00 Tony Myatt and his late night show. 2.00 a.m. Night Flight.

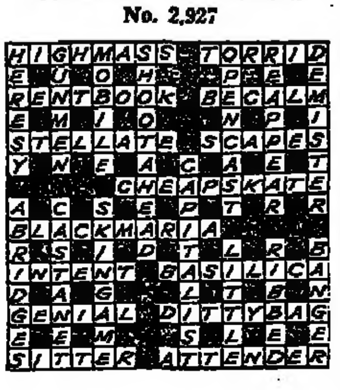
F.T. CROSSWORD PUZZLE No. 2,928



ACROSS
1 Flower of the French underworld (6)
4 Undershirt sounds intended for religious ceremony (8)
10 Phrase got somehow from scattered ammunition (5-4)
11 Colour is a small consideration to the oriental (5)
12 Here we see some returning to gin (4)
13 Victimised by smear campaign (10)
15 He's too concerned about Number One (7)
16 Predicament for a rabbit (6)
19 Indian territory has position for the keeper (6)
21 Italian town expresses contempt for fish (7)
23 Stage characters have to change in some club (10)
25 "He must not float upon his watery ——" (Milton) (4)
27 Principle for oriental under canvas (5)
28 Automation requires backbone in a girl (9)
29 Carapace suggests one you cannot reform (4, 4)
30 Ancient Shakespearean character never without a weapon (6)

DOWN
1 Dregs round the entrance—they get what is left (8)
2 Celebrated, cultivated, underrated Duke (5-4)
3 "I had —— of blessing" (Macbeth) (4)
5 Involves salient reformation (7)
6 Scene of the Yeomen of the Guard (5, 5)
7 Poet brings Bible portion to the priest (5)
8 Up-to-date attempt about the finish (6)
9 Menace that is round about (6)
14 Tactful combination of certificate and convulsion (10)
17 Furnish another Bible portion for the prudent (9)
18 Payment for brawl in business transaction (8)
20 Riddles in musical variations (7)
21 Swindle—was this what Jason was after? (6)
22 National spirit (6)
24 Unsociable like Kipling's cat (5)
26 Equip one for the mountain (4)

SOLUTION TO PUZZLE No. 2,927



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161)
ENGLISH NATIONAL OPERA
Tonight 7.30 The Merry Widow: Tomor. 7.30 La Boheme: Thur. & Sat. 7.30 The Makropulos Case: Fri. 6.30 War and Peace.

COVENT GARDEN. 240 1066
THE ROYAL BALLET
Tonight Fri. & Mon. 7.30 Manon. Seats avail Mon.
THE ROYAL OPERA
Tomor. & Sat. 7 Carmen. Thur. 7.30 Un ballo in maschera. Seats available.

SADLER'S WELLS TH., Rosebery Ave. EC1. 837 1672 (Recorded booking inf.: 278 5450). 3 week season from tomor.
LONDON CONTEMPORARY DANCE THEATRE
Tomor. & Thur. 7.30: Class. Stabat Mater. Masques of Separation.

ADELPHI THEATRE. 01-836 7611. Evenings 7.30 Mat. Thur. Sat. 3.00
JEAN SIMMONS ANGELA BADDELEY
JOSS ACKLAND in
A LITTLE NIGHT MUSIC
"Music that ravishes the senses . . . a show kissed with genius." Guardian.

THEATRES

ALBERY. 836 3878. Previews Nov. 18 & 19 at 8. Opens Nov. 20 at 7. Nov. 21 at 8. 22 at 3 & 8.15.
DOROTHY TUTIN, TIMOTHY WEST
DEREK JACOBI, JOHN TURNER
A MONTH IN THE COUNTRY
Rep. Season follows: ROOM WITH A VIEW. Previews from Nov. 25 at 8.

ALDWYCH. 836 6404
Royal Shakespeare Company
Recorded booking info. 836 5332. Evgs. 7.30. Mat. Wed., Sat. 2.30
LAST THREE WEEKS
Bernard Shaw's
TOO TRUE TO BE GOOD
"JUDI DENCH . . . is richly funny." Guardian. "IAN McKELLEN rises to supreme heights." Sunday Times.

AMBASSADORS. 01-836 1171-3212. Evgs. 8.00. Sat. 5.30 & 8.30. Tues. 2.30.
HAPPY AS A SANDBAG
New Hit Musical by Ken Lee.
"Delightful . . . Don't miss it." D. Exp.

ARTS THEATRE CLUB. 836 2132. Great Newport St. (off Leic. Sq. Underground). Instant temp. membership available 15p. Evgs. Tue.-Sun. at 8. ANNIE ROSS, MIRIAM MARGOLYES
KENNEDY'S CHILDREN
"A blockbuster." Clive Barnes, NY Tms.

CAMBRIDGE THEATRE. 836 6056. Michael DENISON, Derek GRIFFITH
THE BLACK MIKADO
"THE BEST MUSICAL OF 1975." Sun. Times. Evgs. 8.00. Wed., Sat. 5.00, 8.15.

COMEDY. 930 2578. Evgs. 8.00. Sats. at 5.30 and 8.30. Matinees Thurs. 3.
"The delectable HAYLEY MILLS." D.T.
FRANCES MATTHEWS, LEIGH LAWSON
"Samuel Taylor's joyous comedy." E.N.
A TOUCH OF SPRING
"Effervescent direction by Allan Davis"
"THE AUDIENCE were WEAK with LAUGHTER." Fin. Times. "THE FROLIC IS SUCH FUN." Evg. News.

CASINO. 437 6877. Opens Dec. 18.
DANNY LA RUE
in a new family Xmas show
QUEEN DANIELLA

CRITERION. 930 3216. Evgs. 8.15. Mats. Thurs. Sat. 5.00. Season extended. Tom Stoppard's ROSENCRANTZ AND GUILDENSTERN ARE DEAD. "I strongly recommend it to anyone." Fin. Times.

DRURY LANE. 836 8108. Evenings 7.30 Matinees Wed. and Sat. 2.30.
MICHAEL CRAWFORD in
BILLY
A NEW MUSICAL
"MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.0. Fri., Sat. 6.15 and 9.00.
OH! CALCUTTA!
NOW IN ITS 6th YEAR.
"Breathtakingly Beautiful." S. Tel.
"The Nudity is Stunning." D. Tel.

DUKE OF YORK'S. 836 5122. Evs. 8. Sats. 5 & 8. Mat. Thurs. 3. "PERFECT image of a veneered diplomat." Tms. "SMOOTH." E.N. "SUAVE." D. Exp.
LESLIE PHILLIPS
Fine roly-poly comic
ROY KINNEAR
"SPLENDID." D. Tel.
ROGER'S LAST STAND
"A play with many jokes." Times.

DUKE OF YORK'S. 01-836 5123. Richard Goolden, Ian Talbot in
TOAD OF TOAD HALL
Mats. Dec. 22 to Jan. 17. Book now.

FORTUNE. 836 2238. Mon. to Thurs. Evgs. 8.00. Fri. and Sats. 6.30 and 9.00.
FROM AMERICA
THE CHARLES PIERCE SHOW
"IRREVERANT, OUTRAGEOUS and IRRESISTIBLE." Kretzmer, Daily Express. "DEVASTATINGLY FUNNY." D. Mirror "FASTEN YOU SEAT BELTS FOR A WILDLY BUMPY NIGHT." D. Mail.

GARRICK. 836 4601. Evenings 8.15. Mat. Wed. 3.0. Sat. 6.0 & 8.40.
RICHARD BRIERS "Marvellous." Gdn.
ABSENT FRIENDS
"ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson. S. Times.

GLOBE THEATRE. 437 1592.
BEST PLAY OF THE YEAR
Evening Standard Drama Award
RONALD PICKUP in
THE NORMAN CONQUESTS
by ALAN AYCKBOURN
LIVING TOGETHER Tnt. & Th. 8.15. Sat. 8.30. R'ND & R'ND THE GARDEN Tomor. 3.0, Fri., Mon. 8.15. TABLE MANNERS Tomor. 8.15. Sat. 5.30.

GREENWICH THEATRE. 01-858 7755. Evenings 8.0. Mat. Sat. 2.30. Noel Coward's FALLEN ANGELS.

GREENWICH THEATRE. 01-858 7755. Booking now for Dec. 26-Jan. 3. CAMELOT PIE XMAS SHOW

GREENWOOD. London Bridge 403 0592. Evenings 8.0. Sat. 6.0 & 8.0. Seats £2.00 £1.50. 80p.
A MAN FOR ALL SEASONS.

HAYMARKET. 930 9832. Evgs. 8. Sat. 5 and 8.15. Mats. Wed. 2.30.
"HERBERT LOM TRIUMPHS." E. News
NIGEL STOCK in
BETZI
"William Douglas Home is one of the wittiest writers in the country . . . ENCHANTING ENTERTAINMENT." S. Tms.

HER MAJESTY'S. 930 6606. Reduced price Previews 17 & 18 Nov. at 8.0. Opens 19 Nov. at 7. Subs. Evgs. 8.
HAPPINESS IS AN AFRICAN MUSICAL CALLED
IPI TOMBI

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30.
THE ROCKY HORROR SHOW
"BEST MUSICAL OF THE YEAR."
Evening Standard Drama Award.

LYRIC. 01-437 3686. Evenings 8.0. Mat. Wed. 3.0. Sat. 5.0 and 8.30.
JOHN PLOWRIGHT, HELEN MIRREN, PETER McENERY, JOHN MOFFATT, FRANK GRIMES in ANTON CHEKHOV'S
THE SEA GULL
Directed by LINDSAY ANDERSON.
"A masterpiece. Superlative." D. Mail.

MAYFAIR THEATRE. 01-629 3036. Evenings 8.15. Sat. 5.30 and 8.45.
BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in
ALPHABETICAL ORDER
"Michael Frayn's comedy is a delightful experience." Evening Standard.

MAYFAIR THEATRE. 01-629 3036.
SOOTY'S CHRISTMAS SHOW
Daily 2.00, 4.00. Sat. 10.30, 2.00, 4.00.

MERMAID. 248 7656. Food 248 2835. Evgs. 8.15. Mat. Thurs. Sat. 4.45.
BERNARD MILES.
ELIZABETH SEAL, PETER REEVES
FARJEON REVIEWED
A Musical Tribute, to England's wittiest revue writer, HERBERT FARJEON.
"The best of Farjeon is still inimitable." "Go and see for yourself for nostalgia or initiation." "Written with literate elegance not often matched in revue."
SEATS FROM 75p to £2.50 OR COMBINED DINNER AND THEATRE TICKETS FOR £4.95.

MERMAID. 248 7656. Food 248 2835. Dec. 15-Jan. 17. Booking Now
Swift's
GULLIVER'S TRAVELS
with Mike D'Abo. William Rushton.

NEW LONDON. 405 3072. For 1 week from Nov. 17. Evgs. 8.0. mats. Thurs. 2.30. Sat. 5.0 & 8.15. JOHN HANSON in Glamorous Night with Pamela Field, Alexander Bridge.

NEW LONDON. 01-405 0072. Dec. 18-Jan. 24. Booking Now.
SPIKE MILLIGAN, BERNARD MILES in the Mermaid Theatre's Award-Winning Production of
TREASURE ISLAND

OLD VIC. THE NATIONAL THEATRE 928 7616. Tonight at 7.30:
THE MISANTHROPE
English version.
Tmor. 7.30. Thu. 2.15 & 7.30:
PHAEDRA BRITANNICA
Fri., Mon. 7.30. Sat. 2.15 & 7.30:
Playboy of the Western World
Some seats held for sale day of performance from 10 a.m.

PALACE. 437 6834 Mon. to Thurs. 8.00. Fri. and Sat. 6.30 and 8.40.
JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373. Opens Dec 17 at 7.00. Subs. daily 2.45 and 7.30.
LULU, RON MOODY
RACHEL GURNEY in PETER PAN

PALLADIUM. 437 7373. Nov. 26, 27 only at 8.00. THE BLACK WATCH BAND SPECTACULAR. Highland Dancers 80 Performers. BOOK NOW.

PHOENIX. 836 8611. Mon. to Thurs. 8.0. Fri., Sat. 5.15 and 8.30. Bristol Old Vic Musical Story of Great Gilbert and Sullivan Partnership
TARANTARA! TARANTARA!
"Shining Gem." D.M. "This delightful Show." E.N. "Full of life and wit." S.T.

PHOENIX. 836 8611. From Dec. 15. A. A. Milne's WINNIE THE POOH Mats. Daily 2 p.m. and Tu. Sat. 11 a.m.

PICCADILLY. 437 4505 Mon.-Thurs. 8.00. Fri., Sat. 6.00. 8.40.
KWA ZULU
"Probably the most compulsively enjoyable musical show in London." F.T. "A joyous occasion indeed." Sun. Exp. Now Booking to Feb. 1976.

PRINCE OF WALES. 01-930 8681 Evgs. 8.0. Fri.. Sat. 5.30 8.30
HARRY SECOMBE
"Lovable clowning, excellent singing." D. Mir. in THE PLUMBER'S PROGRESS.

QUEEN'S. 01-734 1166. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30
ALAN BATES in
OTHERWISE ENGAGED
A new play by SIMON GRAY
Directed by HAROLD PINTER

RAYMOND REVUEBAR THEATRE. 734 1593. At 7 p.m., 9 p.m. 11 p.m.
PAUL RAYMOND presents
THE FESTIVAL OF EROTICA '75

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. 7.00 and 9.15
2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s
LET MY PEOPLE COME
AN ADULT MUSICAL
"Never a dull moment." Evening News. 100 tickets held for sale at door.

ROUNDHOUSE. 267 2564. Preview Tomor. 8. Opens Thu. 7. Subs. 8. Music Theatre based on Chinese Legend
LE PAVILLON
Au Bord de la Rivière

ROYAL COURT. 730 1745. Previews from Fri. at 8. Opens 18 Nov. at 7.
TOM COURTENAY in
THE FOOL
by Edward Bond.

ST. MARTIN'S. 836 1443. Evenings 8.00. Mats. Tues. 2.45. Sats. 5.00 and 8.00
AGATHA CHRISTIE'S
THE MOUSETRAP
World's longest-ever run. 23rd YEAR.

SAVOY. 836 8888. Ev nings at Mats. Wed. at 2.30 and Sat. at Barbara MULLEN and Derek BOND
AGATHA CHRISTIE'S
MURDER AT THE VICARAGE

SHAFTESBURY THEATRE. 01-836 Evgs. 7.30. Matinees Wed., Sat.
ARTHUR LOWE
JOHN LE MESURIER, CLIVE DUN
DAD'S ARMY
"Funny and touching . . . total suc success." Sunday Times.

SHAW THEATRE. 01-388 1394.
LAST WEEK—Evenings 8.0.
FURTHER ASPECTS OF MAX WALL

STRAND. 836 2660. Evenings 8. Mats. Thurs. 3.00. Sat. 5.30 and 8.
DORIS HARE,
RICHARD CALDICOT, ANDREW SAC
NO SEX PLEASE, WE'RE BRITIS
Directed by Allan Davis
LONDON'S LONGEST LAUGH. 5th YEA

TALK OF THE TOWN. 01-734
From 8.15. Dining and Dancing.
New Revue SWEET TEMPTATIO
Opening tonight 11 p.m.
SALENA JONES

VAUDEVILLE. 836 9988. Evgs. Sats. 5 and 9. Mats. Tue. at 2.
Margaret LOCKWOOD
Paul DANEMAN and Barrie INGHA
DOUBLE EDGE
"Superb who-dun-it . . . the who-dun-it I have seen for years." D. T

VICTORIA PALACE. 834 17
Evgs 8.0. Wed., Sat. 6.0 & 8.
MIKE YARWOOD
in "The Time of Your Life"
". . . a greatly enjoyable revue." D.

WESTMINSTER. 834 0283. Dec. 2 Feb 7. Evs. 7.30 Mats. Wed. & Sat. 2.
Chichester Festival Theatre Production
FOLLOW THE STAR
a new Family Christmas Musical
Dir. Wendy Toye (Mats. Dec 18 &

WHITEHALL. 930 6692-
Evgs. 8.00. Fri., Sat. 6.15 and
"Funniest play in London." Vogue
WHAT THE BUTLER SAW
Directed by Lindsay Anderson. away aching with laughter." Daily

WINDMILL THEATRE. 437
PAUL RAYMOND presents
LET'S GET LAID
Twice Nightly at 7.00 and 9.00
2nd SENSATIONAL YEAR

WYNDHAM'S. 836
Mon.-Fri. 8.00. Sats. 5.00 and 8.
JOHN GIELGUD, RALPH RICHARDSON
National Theatre Production
HAROLD PINTER'S
NO MAN'S LAND
Directed by PETER HALL
"GREAT ACTING AT ITS HIGHEST PITCH." Evg. News. Limited Season

YOUNG VIC (by Old Vic) 928
Tnt. 8 OTHELLO

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. 5861. Sep. perfs. ALL SEATS BKBLE.
1. GONE WITH THE WIND (A). Wk. Sun. 2.00. 7.45.
2. LOVE AND DEATH (A). Week & Sun. 2.00. 5.30. 8.30.

CASINO. 437 6877. EARTHQUAKE
You'll feel it as well as see it
SENSURROUND. Sep. Perfs. daily
2.30. 5.30 and 8.30. Last Weeks.

CURZON, Curzon Street. W.1 499 37
LES VALSEUSES (Making It) (X
Progs. 1.55 (not Sun.) 4.00 6.15. 8
Late show Saturday 11 p.m.

EMPIRE. Leicester Square 5 DAYS
THE CONDOR (AA). Progs daily
5.30. 8.30 Sep. perfs. All seats
No phone bookings.

LEICESTER SQUARE THEATRE. 930 5
See! Hear! Feel! TOMMY (AA).
Film Event of the Year. Sep. perfs. 1.
4.30. 8.00. Sun. 4.30. 8.00. All seats may be booked.

ODEON, Haymarket. (930 2738-277
SHAMPOO (X). Sep. perfs. Wk.
4.45. 8.15. Shampoo at 1.55. 5.30. 9.
All seats may be booked

ODEON, Leicester Square. (930 611
BITE THE BULLET (A). Cont. progs.
2.00. 4.50. 7.50.

PLAZA 2, Regent St. 839 6494.
Once open 11 a.m. to 7 p.m. (not Sun.)
GONE WITH THE WIND (A) in
Progs. Sep. Perfs. Daily 2.15 & 50.
Show Sat. 11.15 p.m. All seats bookable

PRINCE CHARLES, Leic. Sq. 437 8181
2nd Great Year
EMMANUELLE (X)
Sep. Perfs. daily (inc. Sun.) 2.45. 6.15
9.00. Late Show Fri. and Sat. 11.45
Seats Bookable. Licensed Bar

RITZ, Leicester Sq. 437 1234 BUG (X)
Progs. Daily 2.15. 4.25. 6.35.

SCENE 1, Leicester Sq. (Wardour St.) 43
4470. Cont. Perfs. Daily from 12.55
DROWNING POOL (A) 1.05. 5.00. 8.50
PRISONER OF 2ND AVENUE (A) 3.10
7.00. Late Show Fri. & Sat. 10.55

SCENE 2, Leicester Sq. (Wardour St.) 43
4470. Cont. Perfs. Dly. from 12.30. Late
Show Fri. & Sat. 12.05. YOUNG FRANKENSTEIN (AA). Progs. 12.30. 2.
5.05. 7.25. 9.45. Late Show Fri. & Sat.
12.05.

SCENE 3, Leicester Sq. (Wardour St.) 43
4470. THE TOWERING INFERNO (A)
Sep. Perfs. Daily 2.00. 5.20. 8.40. Late
Show Fri. & Sat. 11.45. Seats Bookable
—All Perfs.

SCENE 4, Leicester Sq. (Wardour St.) 43
4470. 2nd YEAR. The Film Everybody's
Talking About! THE EXORCIST (X)
Directed by William Friedkin. Sep. Perfs.
Daily 12.30. 3.00. 6.15. 9.00. Late Show
Fri. and Sat. 11.30. Box Office Open
Daily 10-8. Sun. 12-8. Seats Bookable
—All Perfs.

WARNER WEST END.
Leicester Square. Tel. 439 0791.
1. VENIAL SIN (X). Sep. progs. Wk.
2.30. 5.30. 8.30.
2. FIVE FINGERS OF DEATH (X). Cont. progs. 2.40. 4.35. 6.30. 8.30.
3. Watch for opening on Nov. 20th with PERMISSION TO KILL (AA).
3. Telly Savalas, James Mason, Robert Culp INSIDE OUT (A). Cont. progs. Wk. 2.10. 4.15. 6.20. 8.30. Last 2 days.

Hayward Gallery

Burne-Jones revalued

by DENYS SUTTON, Editor of Apollo

Burne-Jones was one of the w Victorian artists who hieved something of an intertional reputation and his mirers included Puvis de avannes, Paul Bourget, rnand Khnopff and Picasso. s art had a mixture of stheticism and eroticism that s in tune with the mood of the de siècle. Then his reputa- n suffered an eclipse, though slender group of enthusiasts ntinued to care for his work d in 1933 the centenary of his th was marked by a memorial ow at the Tate Gallery.

The modern interest in Symlism has led to renewed erest in his work and a mber of younger scholars, th in this country and abroad, concerned with the finer ints of his art. The Arts uncil has responded to this rrent and arranged a show at Hayward Gallery, which will er go on to Southampton and mingham.

The organiser, John Christian, the National Art-Collections nd, has accomplished his task ll and his catalogue is neat concise. It is perhaps npting to ask whether Burnenes requires such comprehene display and the case for his abilitation might have been re telling, at any rate as cons a non-specialist audience, the selection had been more orous.

Burne-Jones, in any event, s not look well in the ernous setting of the Hayd Gallery. He is the sort of ist whose work would be t seen hung in the red plush leries at Agnew's. On the er hand, the show does permit to be considered in the nd.

He was not only a painter but influential figure in the orative arts which was such eature of the Victorian Age England. He did many igns for stained glass and estry. He was also a pioneer the decoration of pianos and exhibition includes the famous "Graham" piano, ch was commissioned by one his staunchest patrons, lliam Graham, a Liberal MP, his daughter Frances in 9.

The interest of the exhibition considerably heightened by publication of Mrs. Penelope zgerald's new biography of ne-Jones (Michael Joseph 0). There has been no life him since 1904, although ious studies of his art have eared, notably Robin Iron's essay on Burne-Jones and eau, which was first pubed in *Horizon*.

Mrs. Fitzgerald has a fluent and an amusing turn of ase. She tells Burne-Jones's well and is abreast of the rmation that has turned up ut him, though she is not an historian. Considerable inest will be aroused by her ount of Burne-Jones's pasnate involvement with Mary nbaco, a beautiful and excitwoman with whom he nearly ted. She was a member of Greek colony that did much serve the case of art during Victorian period. One of the up was Alexander Ionides hequeathed his collection to Victoria and Albert Museum. This lively volume contains ny interesting details about circle that favoured Burnees which included not only ham and F. R. Leyland, but Souls. Her book is essential ding for anyone eager to rn more about Burne-Jones's e in English life and about own curious pyschology. His nting aroused considerable nment and the remarks about it by Henry James are revealing.

Edward Burne-Jones: The Arming of Perseus

Burne-Jones was a typical exponent of the eclectic and historicist style of the 19th-century and he owed much to classical, medieval and Renaissance art. The cultivated nature of his style helps to explain the appeal of his work to such collectors of early Italian art as Graham or Leyland. The recollections of the painter's conversations with his assistant T. M. Rooke, quoted by Mr. Christian in his intelligent and measured introduction to the catalogue, emphasise Burne-Jones's dismay as finding that the younger generation no longer adored the early Italians but burnt candles to the Spanish school.

His passion for the Italian masters is abundantly clear in his painting, but he was able to borrow hints without succumbing to plagiarism. His debt to the past did not lessen his individuality; if anything it helped him to find his way. And he had none of the inhibitions about borrowing which were later entertained and which had not exercised earlier masters such as Rubens who had not hesitated to lift a motif from a painter who appealed to him. The recent edition of Eliot's *The Waste Land* shows him, in another art, quotations can stimulate creation.

One of Burne-Jones's most effective Italianate pictures is *The Garden of Love*, of 1886-87, which has been lent to the exhibition by the National Gallery of Victoria, for which it was acquired by Robert Ross, a close friend and executor of Wilde and a learned and discriminating connoisseur. Mr. Christian rightly notes the echoes of Dosso Dossi's interpretation of landscape in the background of this picture, also observing that its one time owner, Graham, possessed two major works by this Ferrarese master.

Burne-Jones was a romantic captivated by a dream of ideal beauty and a symbolist. The *Morte d'Arthur*, which he came across in youth, was a potent inspiration to him. His passion for this book aligns him with the Celtic revival so that we may relate him to the world of Sérusier and Yeats. To this extent he was a continental, rather than a local, master: hence too one reason for his appeal to foreign contemporaries.

His most important later painting, *The Sleep of King Arthur in Avalon*, is not in the exhibition and now hangs in the Luis Ferré Foundation in Puerto Rico. Mr. Christian considers its presence there incongruous but it was acquired owing to the perspicacity of the Foundation's director, René Taylor. The subject of this impressive composition harks back to Burne-Jones's old love and shows that, despite Burne-Jones's difficulty in completing a composition, his imagination remained active.

Burne-Jones was an exceedingly funny man and made a number of amusing caricatures, but in later years he became a prey to melancholy. He still strove to express his vision of beauty in art, as may be seen, not only from *The Sleep of King Arthur in Avalon*, but from another of his most acomplished later works, *Love Leading the Pilgrim*, which was inspired by Chaucer's *Romaunt of the Rose*. This work, which is not without a touch of magic, was dedicated to Swinburne and reveals some of the frustrations that agitated Burne-Jones's mind.

For Burne-Jones the modern world had little to offer; he declined to read the Russian novelists or Zola because of their realism. He preferred to inhabit a world of illusion and nourishes dreams of innocent and fragile girls. He struggled against his limitations—his colour and technique lack quality — but his paintings and designs possess personality and his contribution minor though it is, is not in doubt.

Cologne

International Art Fair 1975

by JOHN HOPE

Museum and showbiz, invitation and instruction, are the twin poles of Art World affairs and the Art Fair World in particular. This year's Fair leaders in Europe, Basle and Cologne seem to have taken up directly opposite viewpoints. "The most modern way to encounter Modern Art" was Basle's June theme but this month's Cologne Fair has gone straight out for confidence. "Combine," "security," "guarantee," "inside information" pepper its introductory pamphlet and "Art," it firmly proclaims, "is not a luxury".

The Cologne Fair is simpler, more compact and elitist than Basle and much less international. German galleries take two-thirds of the stands and German is the sole official language. None of the great American galleries have come over and European showing, outside Germany, is patchy with Marlborough, Kasmin and Mayor, for example, missing for England and Fischer, Waddington and Juda among the few bigger names. There's a lack of the exuberant, cornucopia-like feeling of Basle—the sense that art, good and bad, is an endless extravaganza, too complex for the human mind to grasp.

Humour is somewhat lacking and individual private demonstrations, a great Basle feature, are barely visible. In contrast, however, Cologne has a high, even general standard and—in the absence of the blockbuster feeling imposed by the great American one-man shows—less strident voices have a chance to speak out. There's a general feeling, welcome or not in these times, of seriousness—less chat and more down-to-business.

Photography and the To-day Together group show are perhaps the most interesting Fair features. The To-day Togetherers are a loosely linked group of mainly Conceptualist galleries from Europe and America, Lisson and Nigel Greenwood among them, who have banded together to take a whole block of the Fair to avoid duplicate showing—a feature of Basle—and thereby get more display space for their mutual artists. Galleries have selected two or three painters from their stable and presented them on walls and screens to preserve a continuous flow of space and movement for the viewer. Artists featured include the Nigel Greenwood painters Joel Fisher with a "Study for a Victoria and Albert Museum exhibition"—groups of sheets of buff paper, from Government-issue loo-paper, decently smooth, to the roughest variety worthy of "The Specialist," and David Tremlett with four "Watching the way birds fly" pictures from different sites, site photo—England, U.S., Australia, etc.—surrounded diagrammatic signs for bird-flight.

Other artists include Ger Van Velk with symmetrical - landscapes, formed by reversing the original print, and Don Judd's boxes last seen at the Whitechapel. The surprise — for a show more notable for wit than shock—is the Korean-American artist, Nam June Paik, who showed at the ICA's Cybernetic Serependity exhibition.

Paik, who studied art in Tokyo and music in Germany, is a long-term associate of John Cage and well known in avant-garde music and TV circles in New York. His sculptures — old TV sets and musical instruments, for the most part—include a "Sonatina for Goldfish" fish in a glass tank glimpsed through the screen hole of an ancient RCA Victor TV set, an upright piano in highly picturesque decay, and "TV bra" with two tiny working TV sets in transparent cases as breasts for an old violin body.

Photography, elegant, confident of its Art place as recent high auction room prices entitle it, is here in strength. There is, by the way, more than one curious cross reference to old-style Fine Art — Peter Blake's watercolour sequence for Alice sharing the Fair with Lewis Carroll's own photographs and a major London dealer investing in photos, among them.

Lunn (Washington), Die Brucke (Vienna) and Lichttropfen (Aachen) have the best showings — historical prints from Fenton in the Crimea and Felice Beato's scenes of an 1860 Pekin seige, via Thomas Annan's Edinburgh scenes of the 1860s and '70s (seen at the Hayward) to turn-of-the-century architecture by Alfred Steiglitz and Frederick H. Evans, Weston, Arbus, Brandt, Berenice Abbott, and fresh work like Les Krim's slightly sadistic nude polaroids of a nipple burned by candle-flame, melting like wax; Duane Michal's "Paradise Regained," an intriguing series of prints from clothed couple in furnished room to two nudes in a room furnished only with tropical plants; and Stephen Shore's superb colour prints of small-town America, sign that colour has joined black and white at Fine Art levels.

In the more conventional Modern Art sections, high-points include good big mixed shows at Waddington (the Blake Alice set, and some fine Allen Jones watercolours among them), and the Hamburg Wentzel gallery, soon to be showing Caro, - a beautiful presentation of cool prints at the Adriatic-Parasol Press stand, Dorothea Rockburne's white folded prints among them, and a highly personal showing of 1930's avant-garde English painters, a John Piper included, detective work by Alexander Postan and Ivor Abrahams' one-man show at Jacobsen.

Individual work worth mentions includes a fine Castellani, an unexpectedly good Cy Twombly at Karsten Greve, David Leverett at Skulima, a wrapped Roman wall drawing from Christo at Der Spiegel—collector's piece — a pre-Constructivist Malevitch poster from the 1914 War, and from the fantasy sector a complete flying wing with two rows of tiny propellers—man-carrying size—by the artist-mathematician Panamarenko.

Nearer home are a chance Mark Boyle earth surface square, escaped from the recent Serpentine Gallery show and close indeed in present circumstances, a video film "A Documentation of Bradford Working Life" by Darcy Lange, sponsored by the Bradford Museum and City Art Gallery itself.

Perhaps, after all, there is something to be said for a confidence approach.

BBC-2

The Flying Dutchman

by ELIZABETH FORBES

The Flying Dutchman, shown on Sunday on BBC-2, was apparently the first studio production of a complete Wagner opera. Produced by Brian Large, who also, together with Peter Butler, made the new English version that was used, designed by David Myerscough-Jones, with visual effects by Michaeljohn Harris, the opera was performed in one act as Wagner originally intended it should be. Two hours and 20 minutes is a fairly long stretch to remain glued to the box, but Brian Large, without taking any liberties with text or score, kept one's attention riveted on the unhappy mariner and his fate.

The action is set in the early years of the steam age. Daland, no grizzled seadog but a prosperous merchant in ulster and stovepipe hat, commands a paddle steamer. The Dutchman's ship, a salt-encrusted skeleton out of a Turner seascape, is powered by sail. Senta and the other girls work in a mill, their spinning machines turned by a water-wheel. In every respect the music fits as well as in more traditional stagings. The Dutchman's picture is a lifesize carving on the king-post of the mill, before which Senta writhes in ecstatic longing.

An exceptionally fine cast had been collected and the performance was most enjoyable. Norman Bailey made a powerful Dutchman, whose brooding presence dominated the work from beginning to end. He sang throughout with great expressiveness. Gwyneth Jones had the right appearance of rapt exaltation for Senta, and vocally poured out her heart in rich, full tone. Keith Erwen was a lyrical Eric, his fine diction allowing every word and phrase to tell; the account of his dream was particularly well sung.

Stafford Dean, a venal Daland, stuffing gold and jewels into his pockets, looked every inch the prosperous businessman of the 1840s, while Joan Davies was a formidable factory overseer.

As Daland's crew, the men of the Ambrosian Opera Chorus caroused and danced realistically; the girls went about their tasks with competence. The Royal Philharmonic Orchestra, conducted by David Lloyd-Jones, played excellently as far as could be discerned, but the musical balance favoured the voices very definitely. It would have made a fascinating and enterprising programme even better if the sound could have been broadcast simultaneously in stereo on Radio 3.

Conway Hall, W.C.1.

Ian Partridge

by MAX LOPPERT

The South Place Sunday Concerts series is in its 85th season; this Sunday, at the same cosy early evening hour of 6.30, and in the sympathetically plain and well-worn atmosphere of the Conway Hall, the concert was a song recital by Ian Partridge.

Mr. Partridge, a tenor of unfailing sensitivity in oratorio, gave much pleasure in songs of Brahms, Beethoven and Purcell. His is a voice of light, unforced grace, that declares immediately the natural musicality of his intentions, the unaffected clarity of his phrasing; his diction is admirably clean. These are all qualities enhanced by the intimacy of recital. The voice declares quite soon the things the listener must not expect of it: ardour, the extremities of emotion in song ringingly uttered, a dramatic range of colour. But Mr. Partridge had chosen his programme well, for the most part, and so the fine qualities, rather than any deficiencies, received emphasis.

Only Britten's *Seven Sonnets of Michelangelo*, attentively delivered, wanted more body, a degree of emotional commitment. Strange that a voice with all the delicacy of style for the long lines of Purcell's "Music for a while," should sound slightly unidiomatic in Britten, slightly timorous in the oblique angles and wide arches of the third Michelangelo setting. Possibly the problem was the singer's rather genteel way with Italian; more probably, a lack of sympathy with the hot-house narcissism of the music.

Elsewhere, however, youthful tone and fresh timbre were well suited to Brahms, especially the jovialities of "Ständchen" and "Salamander," but even the strong winds of "Auf dem Kirchofe"; in the Beethoven *An die ferne Geliebte* cycle, they were uncommonly appealing. The accompanist was Jennifer Partridge, his sister: efficient, but rather lacking variety of colour in Britten, she warmed to more decisive and engaging support later. Mr. Partridge has a somewhat parsonical platform manner, not helped by his reliance on a music stand. With attention paid to achieving a freer and more fluent communication with his audence, he should become one of this country's leading recitalists.

Alexander Grant for Canadian Ballet

The National Ballet of Canada has announced the appointment of Alexander Grant as artistic director of The National Ballet of Canada. Mr. Grant will take up his appointment on July 1, 1976.

Festival Hall

Kempff by DOMINIC GILL

Wilhelm Kempff is 80 this year, a major figure in the book of western music, whose career, like Rubinstein's, now spans nearly three generations. More than 20 years ago, it was he who introduced me to Mozart's piano concertos and Schubert's sonatas and impromptus. I have felt uneasy with some of his more recent playing; but Kempff's Mozart and Schubert recordings of the late 1950s and early 1960s are still among my most treasured possessions.

I never found the same rapport, on the other hand, with his Beethoven. In contrast with the best of his Mozart, all strength and radiance, and buoyant smoothness, Kempff's early Beethoven recordings, and still more his later sets, seemed awkward, bumpy, often mannered to a degree, even at the most plainly direct and assertive climax brimming with coy flutters and moues, reflective where they should be fierce, soft where they should be hard, weak where they should be strong.

Many, I know, disagree. But it would be a disservice to the artist, and to music, to pretend (out of some motive of false respect, or for fear of disappointing any of his large and rapturous audience) that Kempff at any time during his Beethoven recital on Sunday even approached what might be judged his best Beethovenian form. He played four sonatas —each one as if lost in some faraway lyrical reverie: as if the person of the pianist were hardly present at all, and he himself no more than the medium for a sweet-smiling, transparent ghost of the music.

There were the same coy manners: why, in op. 2 no. 3, two chords daintily *staccatissimo* before the first and second-time bars of the first movement? A big rallentando before the great plunge into A flat at the end of the recapitulation made the effect unforgivably mincing. Strangely dislocating to confine the famous *fortissimo* outburst to the left hand alone in the adagio; and to reserve to the last two movements—where lightning and explosive energy leap from the page—a tempo so gentlemanly and a manner so discreet as would hardly ruffle the surface of a vicarage tea-party on a Sunday afternoon.

But it was the absence of any kind of sharp focus, any pungency, point or catalyst, which most disappointed. Kempff played op.90 like a sleepwalker: all manner of intimate conversation, intimate contact, with the music was avoided: every revolutionary gesture, every bursting tension, was passed over, or passed by entirely. Of op.31 No. 2 he produced a gentle, well-groomed account which lacked at the same time any kind of eloquence and fire, freshness or passion. There must be those who enjoy to hear Beethoven's late sonatas floated along like a Delian spring morning—for the applause which greeted Kempff's op.110 was the longest and loudest of all. I found the effect only soporific and puzzling—a half-hearted, pretty-fingered rejection of the deepest problems of Beethoven's most wonderful, most problematic sonata. Was this truly the same musician who so illuminated, with such power, passion and poetry, Mozart's K488 and K491?

St. John's, Smith Square

James Galway

by GILLIAN WIDDICOMBE

Just as a single aphorism can sometimes convey the style and range of a writer's lifetime, so a short encore often represents the character and artistry of the musician. On Sunday, James Galway, the irrepressible Irish flautist, with the large, pliant, molten flute tone closed his short recital at Smith Square with Debussy's *Syrinx*; and made it a summary of all that is subtle in his playing. The sound was powerful thick and miraculously free from rasp and grain. The colouring of intonation—particularly in the lower range, subject to the widest, most imaginative pressure and pitch variation—was full of change, but sensitively tied into a cantabile line, and sustained.

As a whole, however, the recital was maddening. Galway's shining virtuosity and expressive calibre seemed wasted by the hall's confusing resonance; and it was a shame to realise that not only does the human voice and the more directional instruments sound better here, but so would one of those elegantly urbane flautists with innocent silvery tone. Prokofiev's chattering D major sonata was the most evasive item, though its performance was obviously lively and sparkling. Schubert's Introduction and Variations of "Ihr Blümlein Alle" opened the programme: sentimental and frivolous by turn, and rather long; but lavishly and amusingly coated with expressive inflection. Best was Franck's A major sonata, sonorous and slow-speaking, and as honeyed and vibrant as a violin on the G string.

'Ipi-Tombi' for Her Majesty's

The South African musical *Ipi-Tombi* will open at Her Majesty's Theatre on Wednesday, November 19. There will be previews on November 17 and 18.

WORLD TRADE NEWS

India to seek EEC aid on exports to Europe

BY K. K. SHARMA

NEW DELHI, Nov. 10.

INDIA IS to seek the European Economic Community's assistance to increase exports to Europe, particularly those of such traditional items as jute, coir and textiles. Further new proposals are to be presented for shellac and fabricated mica.

The proposals will be put before the third meeting of the Indo-EEC Joint Commission, which begins in Brussels to-morrow. The enlarged community has agreed to duty-free entry of Indian coir and jute to Britain and Denmark, and extension of that facility is to be sought.

In addition, India will seek technical assistance from the EEC in organising display centres, warehousing and testing facilities for Indian products in European cities.

The Indian delegation will be led by Dr. P. C. Alexander, Foreign Trade Secretary, and the EEC team by Dr. M. Caspari, EEC deputy Director-General of External Relations.

The meeting is of considerable importance to India because the enlarged community is the largest trading partner of India and also commands about 40 per cent. of world trade. Indian exports to the EEC in 1974-75 were worth Rs.6.89bn. (£378m.), a considerable increase from the Rs.6.09bn. (£334m.) in the preceding 12 months.

India has an unfavourable balance, however, since imports from the EEC were worth Rs.8.39bn. (£460m.) in 1974-1975 compared with Rs. 7.04bn. (£386m.) in 1973-1974.

Trade relations between India and the EEC are governed by the commercial co-operation agreement of April 1, 1974, which provides for setting up of the Joint Commission to examine any difficulties likely to hinder the development and diversification of commercial exchanges between the two sides.

The Commission has been entrusted with the tasks of seeking ways and means of encouraging development of economic and commercial co-operation, studying and devising ways to overcome trade barriers and examining possibilities of the progressive adaptation of mutual trade patterns and marketing structures to promote commercial and economic relations.

The past two meetings of the joint commission were held in May and December, 1974.

Meanwhile, a meeting of the Indo-Belgian Joint Committee began here to-day to review existing economic contacts and to explore possibilities for further mutual co-operation between the two countries. The most important item before the meeting is joint ventures in third countries.

Engineering Projects (India), and Sybetra, of Belgium, have been in touch with each other regarding co-operation. Specific projects include a fertiliser plant in Bahrain, paper plants in the Cameroons and Mauritius and a sugar refinery in the Cameroons.

New guidelines for foreign companies in India

AN INDIAN Cabinet committee has been formed to prepare fresh guidelines for the expansion of foreign companies here from their internal resources. Members of the committee are Mr. C. Subramaniam, the Finance Minister, Mr. T. A. Pai, Minister for Industry, and Mr. P. N. Haksar, chief of the Planning Commission.

The committee will also review implementation of the Foreign Exchange Regulation Act, which lays down the procedure for progressive Indianisation of foreign companies in this country by diluting their equity holdings.

This has become necessary because a number of multinational groups are not willing to shed their majority holdings, and have delayed "Indianisation." The committee will examine what should be done about those companies since they are claiming that because of the depressed capital market their shares will not be sold at prices that are worthwhile.

It is possible that the public financing agencies will be asked to buy the shares, and if that happens officials will be represented on the Boards of the companies concerned.

The need to prepare fresh guidelines for the foreign majority companies for expansion through their internal resources has arisen because most of the companies are seeking expansion and diversification into what are known as "soft and not priority" areas. Those are fields in which there is sufficient Indian "know-how" and the Government would prefer that Indian concerns make fresh investments in them rather than allow foreign companies to do so.

An example is that many manufacturing foreign companies are seeking permission to build hotels on the basis that luxury hotels will attract tourists and hence earn foreign exchange for the country.

U.K. small tool makers display at Tokyo

By Charles Smith, Far East Editor

TOKYO, Nov. 10.

BRITISH SMALL tool manufacturers to-day launched their first concerted effort to build up a market in Japan. They also aim to collect evidence which could show that some types of Japanese tools are being dumped in Britain.

The 15 tool manufacturers, who are showing at this week's display of engineers' small tools and handtools at the British Export Marketing Centre here, include two out of the five big names in the U.K. tools industry as well as smaller and more specialised concerns.

The tool makers are in Japan at the invitation of the U.K. export promotion authorities under the subsidy system which enables companies to take a stand at an officially sponsored exhibit for an all-in payment of £100. An earlier invitation to exhibit in Tokyo is said to have been turned down by small tool makers.

The claim that "some sectors" of the U.K. small tools industry may be suffering damage from unfairly-priced Japanese imports was made at to-day's opening Press conference by Mr. J. Neill, chairman of James Neill (Sheffield). He said that cases of damage to an industry were hard to prove, but he made it clear that there was concern about Japanese competition in the tools industry. Japan's share in the fast rising imports of spanners into the U.K. is apparently a specific ground for concern.

Spanner imports into the U.K. totalled £5.4m. in 1973, compared with a domestic U.K. production of £8.3m. Exports of spanners from the U.K. in the same year were worth slightly more than £1.6m. Dumping complaints by the tool industry appear to have fallen on deaf ears to date so far as the British government is concerned, but the industry evidently feels it may have more evidence on the subject after the current visit to Tokyo.

U.K. small tool exports to Japan last year totalled around £900,000, or less than one-fortieth of the industry's world-wide shipments. Most major U.K. tools manufacturers have tended to ignore Japan in the past, but the weakness of other export markets, plus the indications that "do-it-yourself" may be about to take hold in Japan, has prompted a partial change of heart.

One major company which has worked hard to develop a Japanese market, Stanley Tools, announced a £50,000 order for its "surform" planing tools on the eve of the exhibition. Surforms have gained popularity as wood working tools in Japanese schools, and the company believes that a market also exists for them in car repair workshops.

Anti-dumping inquiry on Spanish steel

Financial Times Reporter

THE Department of Trade has taken action against continuing imports of cheap steel reinforcing bars from Spain. There is to be an investigation into an application for anti-dumping duties to be imposed on imports of certain steel reinforcing bars or rods from Spain.

A statement of the applicant's case in support of the duty will be made available to interested parties in return for an undertaking to treat the information in strict confidence.

The British Independent Steel Producers' Association has been pressing the Government to act, claiming that the Spanish bars have been sold in Britain at between £30 and £55 a ton below the fair market price. The British Steel Corporation has supported the private sector case.

The imports from Spain have had the disruptive effect of forcing other producers to align their prices downwards to what are alleged to be loss-making levels. The British steel industry is hoping that the Government's intervention will deter exploitation of the British steel market by foreign producers. In particular, there is concern about the prices of some Japanese steel.

GDR Engineering Week

BY DAVID LASCELLES

THE INABILITY of British exporters to quote fixed prices is a major reason why trade with East Germany has not flourished as expected, Herr Hans Nebel, the GDR Commercial Counsellor in London, said at a Press conference yesterday. Other Western countries were able to do that, but British businesses wanted open-ended contracts. The GDR could not enter into agreements without knowing what they would cost, he stated.

The downward floating of the pound gave Britain a useful competitive edge in the East German market, Herr Nebel went on. But it was being eroded by uncertainty over what the final cost of a contract would be, particularly on the major capital deals forming the basis of mutual trade.

Some progress was being made on the problem, however. Herr Nebel indicated that agreement had been reached with some companies on contracts that were basically fixed price but which nevertheless allowed for escalation if the cost of raw materials rose sharply.

Trade between Britain and the GDR in the first nine months of this year is 18 per cent. below last year despite predictions from both sides that it would grow swiftly and even double. British exports were £24m., and imports £28m.

Herr Nebel was in London to mark the opening of GDR Engineering Week. GDR experts are giving 32 lectures on aspects of their country's industry and technology. The idea is to boost trade and strengthen professional contacts. The event is one of the most ambitious of its kind staged in Britain by any East European country.

According to the London Chamber of Commerce, which is co-organiser, the response has been good.

U.S. CREDIT OF $10M. FOR GREECE

By Our Own Correspondent

ATHENS, Nov. 10.

THE U.S. Export-Import Bank has granted the National Bank for Industrial Development a credit line of $10m. It will be used to finance fixed asset formation in productive sectors of the Greek economy.

The interest rate is 8.5 per cent. with repayment extending in accordance with the loans to be granted by the National Bank to the private sector for productive investments.

The Ex-Im bank is known to be negotiating a large loan to the Niarchos group to establish in Greece a $150m. petrochemicals industry.

IN BRIEF

U.S. colour TV sales

U.S. colour TV set deliveries to dealers for 1975 are estimated at between 6.5m.-7.2m., compared with 7.9m. in 1974 and a peak 9.3m. in 1973. It is believed that no one in the U.S. industry except Zenith Radio made a profit in 1974 on colour TV and that only Zenith and RCA are likely to have made profits this year. There are no retail statistics, but as inventories have been cut back to minimal levels sales may be ahead of deliveries to dealers. Competition is described as "ferocious," and Japanese-built sets are competitively priced. Replacement has become a significant market sector, now accounting for 30 per cent. of annual business.

Caricom meeting

Heads of Government of the Caribbean Community and Common Market will meet at St. Kitts on December 8-10, the second regional Summit since Caricom was launched two years ago. The 12 Premiers will review developments and focus on regional agricultural programmes, external relations, and the institutional structure of Caricom.

Soft drinks for Arabs

Soft drinks sales in the Middle East and North African markets are expected to total over £200m. this year, says International Marketing and Economic Services. Carbonated drinks, mainly locally produced, represent 75 per cent. of the total market, but because of production difficulties competition is increasing from imported soft-drinks. Growth in consumption, particularly in Iran, Saudi Arabia and the Gulf has averaged 30 per cent. per annum since 1972-73.

Changing pattern of Guyana's trade

BY OUR OWN CORRESPONDENT

GEORGETOWN, Nov. 10.

CHINA WILL buy 180,000 metric tons of sugar from Guyana over the next four years and similar amounts of alumina. The contracts call for the supply of 30,000 tons of sugar and 30,000 tons of alumina next year, and 50,000 tons of each annually for the following three years.

Prices will depend on the then prevailing international market prices. The whole deal is worth some $G230m. (£43.42m.). Guyana has contracted to buy $G7m. (£1.32m.) worth of goods seen at the Canton Trade Fair, mainly in builders supplies. Deliveries will take place next year.

Another communist country, North Korea, has agreed to lend Guyana around $G7m. to cover the supply of a complete workshop to recondition 160 tractors and trucks annually.

It would also produce up to 15 tons of spare parts per year, 30 agricultural tractors, discs and harrows, and complete drainage and irrigation equipment (including all pumps and sprinkler systems) for 1,250 acres to be planted by the government with special crops. The loan is for 15 years and is interest-free.

These developments were arranged during a recent visit to China and North Korea by a Guyanese trade and economic mission led by Mr. George King, the trade minister.

He announced that there is also some indication that the Koreans may buy Guyanese timber and sugar from next year, and that Guyana may buy Korean workshop parts and other metal goods. The success of the mission is certain to push Guyana further into the Socialist camp.

Mr. King stated that Guyana is dedicated to promoting such trade, including trade with other developing countries, as an objective for changing the world economic order. He disclosed that Guyana has been invited to send a trade mission to the Soviet Union.

According to figures which he gave, Guyanese imports from the Socialist bloc rose from $G3.4m. (£642,000) in 1964 to $G10.3m. (£1.95m.) in 1974, while exports rose from $G100,000 (£18,900) to $G29.3m. (£5.53m.). The figures will change dramatically when the new contracts with China are included.

Even at those levels, trade between Guyana and the Socialist states remains small compared with the country's total foreign trade, in which imports for the first quarter of 1975 $G166.7m. (£31.5m.) and exports, G205m. (£38.7m.). Anticipated future agreements with other Socialist states, however, will be certain to reduce substantially the traditional trade which hitherto has been mainly with the U.K. and U.S.

Export Contracts

SWAN HUNTER SHIP REPAIRERS is poised to clinch a major contract to refit two Royal Navy frigates for the Pakistan Navy. It would mean work for several hundred men into the spring of 1978. The first frigate, the Scarborough, is to be towed from Devonport to-day, to arrive in the Tyne at the week-end. The second ship, the Tenby, will follow in three months.

TAYLOR INSTRUMENTS, Stevenage, will supply control instrumentation worth £165,000 for a Dutch-built sugar refinery being installed in Iran.

POWELL DUFFRYN ENGINEERING is to supply hydraulically-operated refuse packers worth £30,000 for five refuse transfer stations being set up in West Germany.

AUTOSYSTEMS, Huddersfield, chicken processing equipment makers, has sold processors costing £40,000 in all to Australia, the U.S. and Holland.

AMERICAN NEWS

No probe of GM by FTC likely

By Jay Palmer

NEW YORK, Nov. 10.

THE Federal Trade Commission this morning confirmed that its Bureau of Competition and Economics had recently considered filing an anti-trust suit against General Motors, America's largest car maker.

However, denying week-end radio reports that a suit was imminent, an agency spokesman stressed that the discussion had been an internal and very theoretical review.

He added that no formal recommendation in favour of legal action had been received and that a full-fledged study was unlikely to be started.

In view of its dominant position in the U.S. domestic car market, General Motors has long been rumoured as a prime candidate for a government anti-trust drive.

At least one such case got beyond the preliminary stages when the Justice Department prepared a formal complaint in 1968. The case was, however, never brought to court, reportedly because the Nixon Administration vetoed it.

If either the FTC or the Justice Department — which together control anti-trust surveillance—were to file a complaint, it is generally assumed that it would take years before the courts.

The sheer size of GM and the complexity of its integrated divisions would make the suit perhaps even as complicated as the present one filed against IBM.

GM officials in Detroit have refused all comment on possible FTC plans. However, asked about the company's continuing drive to increase its domestic market share above the present 52 per cent., one official was quoted as saying: "I would much rather be admonished by the government for getting too much than catch hell from GM for not getting enough."

Carey may try to raise taxes in NY

NEW YORK, Nov. 10.

GOV. HUGH CAREY has confirmed growing speculation that additional taxes may have to be imposed as a temporary measure to rescue New York City.

The Governor declined to give details of the proposed rescue plan but said that even such a plan would still require some form of Federal guarantee. "I cannot be specific about the taxes now as these are areas of exploration," Mr. Carey said.

But he later told reporters that the package will include "a mix" of emergency taxes on individuals as well as corporations.

Mr. Carey also indicated that as a last resort the sales tax might be increased in the city. Mr. Carey was speaking after giving testimony before the Joint Economic Committee of Congress, meeting to-day in New York.

Sources close to Mr. Carey said that they believed that if he could work out a combined State-City programme, including new taxes and other self-help measures, there was a chance that President Ford might soften his resistance to providing Federal aid to prevent New York City from defaulting on its debts.

Agencies

Rumsfeld may change arms buying policy

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Nov. 10.

THERE IS now some concern in Nato circles that Mr. Donald Rumsfeld, the new U.S. Defence Secretary, will prove less able or willing than his predecessor, Dr. Schlesinger, to purchase European armaments as part of the drive for greater standardisation of alliance weaponry.

As a result, Mr. Rumsfeld is likely to be questioned closely about his commitment to standardisation during his Senate confirmation hearings on Wednesday by Senator Nunn, of Georgia, Senator Culver, of Iowa and others who have lead the Congressional drive for a more efficient Nato procurement policy

The former Defence Secretary, Dr. James Schlesinger, was generally credited with having decided to make a reality of Nato's long dormant commitment to standardise its weaponry and he also understood that the U.S. would have to buy more foreign arms as part of the exercise.

Although as a former U.S. Ambassador to NATO Mr. Rumsfeld is fuly aware of the case for avoiding wasteful duplication in arms manufacture, it is not certain that he shares the same deep personal commitment to making progress here as Dr. Schlesinger. Moreover, as a man credited with personal political ambitions, it remains to be seen whether he wil be able to stand up to domestic pressure groups—particularly in an election year.

These doubts have only been reinforced by the resignation of Ambassador Robert Ellsworth as assistant Secretary of Defence, apparently in protest against Dr. Kissinger's domination of American foreign military policy. Ambassador Ellsworth served as Dr. Scheslinger's "foreign minister" and was also deeply committed to the standardisation drive.

Dr. Schlesinger laid the basis for a more harmonised procurement policy during his recent European tour a few weeks ago by signing a number of bilateral protocols which effectively open the door for U.S. and European Defence Ministries to consider a greater exchange of arms and technology. He also urged the Europeans to co-ordinate their own research and development programmes and come up with prototype weapons that could be tested against alternatives developed in the U.S.

The British, in particular, believe they have a good chance of selling the U.S. laser range finders, night seeing equipment and certain anti-tank missiles—all fields in which they claim a technological lead over the Americans. Next year will also see field trials between the XM1 tank developed by General Motors and the German Leopard tank, with in theory the best one being ordered by the U.S.

Moscow rebuff to U.S. on Salt

WASHINGTON, Nov. 10.

SECRETARY of State Henry Kisssinger said to-day that the Soviet Union had rejected the latest U.S. proposals for a Strategic Arms Limitation (SALT) agreement and that the SALT talks had entered a period of stagnation.

Dr. Kissinger told a Press conference that the United States was now waiting for further Soviet proposals and he appeared to take a tough stance toward the Soviet position. "We cannot establish the principle that all the other side has to do is to reject an American proposal in order to elicit another (American) proposal," he said.

Though Dr. Kissinger again defended his policy of detente with the Soviet Union, he warned: "If the Soviet Union threatens the national interests of the United States or the national interests of its allies, the United States will resist. The United States will not hold still for hegemonial actions by any nation."

Reuter.

Invasion threat to Belize is over, says the Army

BY ALAN RIDING

BELIZE CITY, Nov. 10.

WITH THE reinforcement of the British military garrison in Belize completed over the week-end, the British Army now believes that the threat of an invasion of the colony by neighbouring Guatemala has been eliminated.

But while there are signs that Guatemala is trying to avoid further exacerbation of the crisis, Britain apparently has no intention of withdrawing its reinforcements from Belize until Guatemala has also pulled back its extra troops from the mountainous border region.

According to British Army intelligence, Guatemala began pressing its long-standing claim to Belize in September by sending at least 1,000 additional soldiers and ten armoured personnel carriers to the southern border area.

Last week London responded by bolstering the army garrison here from 650 to 950 men, sending six Harrier jump-jets equipped with air-to-ground missiles and dispatching the Tribal Class frigate HMS Zulu to Belizean waters. The arrival of the Harriers on Saturday was considered crucial in ensuring Britain's ability to defend the tiny colony against any jungle offensive.

Despite the continuing diplomatic exchanges now taking place at the UN between the respective supporters of Guatemala's claim to Belize and Belize's right to independence however, visitors to the border regions said they had no difficulty crossing into Guatemala and that Guatemalan military personnel seemed anxious to prove they were planning no invasion of the colony.

More talks on New York Times pay deal

By Jay Palmer

NEW YORK, Nov. 10.

THE NEW YORK TIMES and the Newspaper Guild of New York, which represents journalists on the paper, this morning started a fresh round of talks in a last-minute attempt to reach agreement over a new contract and avert a Guild strike threatened to begin to-morrow morning.

However, despite this new initiative and the recent intervention of Federal mediators the chances of reaching a compromise before the strike deadline are regarded as very slim.

Unlike the present acrimonious dispute at the Washington Post over the introduction of new newspaper technology, the New York Times battle centres on Guild demands for a new three-year contract incorporating a 24 per cent. pay increase and cost-of-living adjustments.

The Guild, which represents about 2,000 journalists, advertising executives and clerical staff at the New York Times, is also demanding major improvements in job security provisions to protect members against lay-offs.

At the same time that NYT talks are continuing, Guild officials are meeting representatives of the Daily News with the same demands.

Although both newspapers always reach similar contracts the Guild has only threatened to strike at the Times.

Argentine inflation worsening

NEW YORK, Nov. 10.

ARGENTINA now has a worse inflation rate than Chile. Chile's inflation rate, once the world's worst, has dropped sharply in recent months from an annual rate of more than 240 per cent. in June to about 100 per cent. in September.

At the same time, inflation in Argentina has worsened, so that in September the Argentine rate of price increase, at 130 per cent. annually, actually exceeded Chile's September rate. The Argentine rate in October climbed to nearly 200 per cent. The Chilean rate for the first nine months of the year, however, exceeds the Argentine rate for that period.

The improvement in the Chilean situation reflects stern Government efforts to subdue inflationary pressures through economic austerity. Meanwhile, the deteriorating situation in Argentina reflects a combination of swelling Government budget deficits and excessive growth in the country's money supply. In the recent 12 months, Argentine monetary growth amounted to 65 per cent.

The worsening inflation has prompted Argentine officials to consider implementing a so-called devaluation-a-day policy.

● The small opposition Centrist Progressive Democratic Party will support a Bill in Congress to impeach President Isabel Peron who remains hospitalised after eight days, party officials said in Buenos Aires to-day.

AP-DJ

FIDEL CASTRO'S CUBA

A revolution settles down

BY HUGH O'SHAUGHNESSY, RECENTLY IN HAVANA

FEW PEOPLE in Cuba can be unaware for most of their waking hours that next month sees the first congress of the Cuban Communist Party. "To strengthen the party is to strengthen the revolution," or "The strength of the party lies in its close link with the masses," scream the hoardings. The day-long news programme on Radio Reloj brings a stream of reports of factory workers or dockers who have surpassed their work norms in homage to the forthcoming Congress. The athletes returning from a notable success at the Panamerican Games in Mexico City dedicate their medals to the First Congress, nightclub singers sing about the congress, workers struggle to finish the hostel for the fraternal delegates, the armed forces hold meetings about the congress, 1975 is officially "The Year of the First Congress."

The official attitude, a decade and a-half after the victory of the revolutionary forces over the Batista Government, appears to be changing from one which suggested that all good Cubans were revolutionaries to one proclaiming that all good Cubans are Marxist-Leninists.

The Congress, one must admit, is long overdue. The revolution of 1959 was the work of a number of organisations and individuals, Marxists and non-Marxists, which were grouped together at the end of 1961 in the ORI, or Integrated Revolutionary Organisations. A year later the ORI was transformed into the PURS, or United Party of the Socialist Revolution, which in its turn gave way to the PCC, or Cuban Communist Party, in October, 1965. From long before the revolution to the present day, the life force of the revolution has, of course, been Dr. Fidel Castro himself, aided by a constant band of companions, the closest of whom were his student colleagues and fellow guerilla fighters from the Sierra Maestra days. The old Communists were in a very important but often secondary position—lifelong members of the original Communist Party which was at times at odds with Dr. Castro and his student and guerilla friends.

Dr. Castro and his companions have acted as government, legislature, and trade union, and have pushed the revolution along with a minimum of formal political structure, from the Central Committee of the Party, its secretariat, and from the political bureau at the apex.

> Now everything is to be made more formal and similar to the structures in the Soviet Union and the East European countries, from which the Cubans say they are importing the best items of Communist practice.

Now, everything is to be made more formal and similar to the structures in the Soviet Union and the East European countries, from which the Cubans say they are importing the best items of Communist practice. There are now to be a number of sharply differentiated structures, each with its own particular attributes but none trespassing on the other's territory. The legislative functions and supervisory duties are to be taken over by "popular power," a series of elective bodies ranging from the local circumscription, through town, regional, and provincial assemblies, to a national assembly in Havana.

Government decisions as such are to be taken by a so-called Economic Management System. The population will be mobilised in a series of mass organisations ranging from the Pioneers' Movement for school children to Committees for the Defence of the Revolution with branches in every block in the towns and every hamlet in the country. But the most important organisation must be the party itself. Its "Programmatic platform" just published as a draft for discussion next month make the party's aims clear. "The Communist Party of Cuba," it says, "must be the overall directing force of Cuban society and the Cuban state, and must organise and direct the common efforts for the achievement of the construction of socialism and for the advance towards communism, and it has the responsibility to take the role of organised vanguard of the working class grouping together freely and voluntarily the best sons of the people, chosen from the most conscientious and outstanding workers."

The Party therefore will continue to be what it has been for some years—an élite organisation, unlike many West European Communist parties which need to recruit every last member in order to achieve the highest turnout at the polls.

Judging by the experience of some aspirants for membership it appears to take rather longer for an individual to become a full Party member than it would for him to become a member of the Jesuit order.

Needless to say, there are no opposition parties in Cuba. Organised expressions of opinion which differ from Marxism-Leninism, such as religion, must expect to come under increasing pressure. The platform states that religion is no more than "a warped and fantastic reflection of external reality" which will wither once social conditions have been changed and re-education completed. But despite pressure on the Catholic Church to which the bulk of the population nominally belonged before the revolution, but which was never very strong or deeply rooted, that body survives. The obstacles for even the most revolutionary minded Catholic who wishes to bring up his children with religious beliefs are great. Nevertheless the seminary which is training 64 candidates for the ministry has been described by one knowledgeable churchman as the best in Latin America.

How quickly and how deep Marxism-Leninism will sink into the mass of the Cuban population is a matter for conjecture. Historically Cubans have been much less politicised than, say, their Argentine, Uruguayan or Chilean cousins. On the other hand the cause of Marxism-Leninism is much helped by a number of factors: sad state of Cuban "democracy" when Dr. Castro took over in 1959, the increasing homogeneity of the party as old differences become blurred, the fact that a new generation has reached maturity since 1959, the often reiterated hostility of Washington to the Cuban Government and, not least, the fact that Cuban society is to a great extent free from disease, hunger, unemployment, disease and gangsterism.

That are the curses of much of the rest of Latin American society. While the food ration tends to be monotonous, clothes are drab, and there are few consumer goods in the shops, no one is starving or destitute. From a base of 100 in 1970, the Government claims, personal income last year had risen to 125 and the consumption of eggs, fish and fruit and vegetables had gone up to 110.7, 114.7 and 139.8 respectively. Despite large imports meat and rice are still not plentiful. The present mood of the people is one of great earnestness rather than gaiety, which only bursts through when they start to make music.

If things continue as they are the average Cuban can look forward to a steadily increasing standard of living. The party will be there to persuade him that the credit must go to Marxism-Leninism.

THE FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription $190.94 (air freight) $381.88 (air mail) per annum. Second class postage paid at New York, N.Y.

OVERSEAS NEWS

Japan 'to back IMF aid' for developing countries

BY PETER DUMINY

TOKYO, Nov. 10.

'AN'S Prime Minister, Mr. eo Miki, will go to the Paris nomic summit with the com- able feeling that the worst he world business recession ver. He will therefore be ly to talk about continuity the business recovery and s of renewed inflation, and make proposals to alleviate special problems of less- eloped countries, it was ed by a Cabinet committee ay.

fficials will not say exactly t the Japanese leader will gest next Saturday. However s believed Japan now posi- ly supports the philosophy of EEC's Lomé Convention, er which associate members compensated for reduced nings from key exports, and ld like to see something like lopted on a global scale. The e thinking was apparent in Kissinger's address to the nt special session of the UN eral Assembly.

r. Miki is also expected to ocate substantially increased facilities for developing ntries, enabling them to draw to 120 per cent. of their las, instead of the present per cent.

In addition, in introducing discussion of international trade (the subject allocated to him), Mr. Miki will appeal for free trade unhampered by quotas and other barriers.

A Japanese Prime Minister will be attending his first-ever summit conference with some advantages over other participants. According to the OECD (and as quoted by the Economic Planning Agency), Japan will be the only participant who can expect economic growth in 1975.

Also, the Japanese feel no need to apologise for current fiscal and monetary policies. Self-interest and the interests of other countries have broadly coincided now, and Japanese policies are apparently as expansionist as anybody can reasonably demand.

No doubt, however, Mr. Miki's advisers would wish for slightly stronger evidence of a Japanese business upturn to put before the world. The latest indicators are almost all unpromising, though mostly because of special reasons, the Economic Planning Agency said to-day.

Among leading indicators, industrial production on average showed no further increase in August and September, department store sales apparently declined in both months with seasonal adjustment, and unemployment rose 50,000 in September, reaching a peak of 1.9 per cent. of the labour force.

In addition, the number of bankruptcies evidently reached a new high last month—23 per cent. higher than in September and 15.3 per cent. up on a year ago. Finally, public works expenditure is now stated to have come out 16.5 per cent. lower than a year ago last month, after having been substantially higher all year.

The EPA says the unemployment has been swollen by women re-entering the labour market, and is therefore a sign of the end of the recession. It also believes that a burst of insolvencies is to be expected at the end of a recession.

Moreover the EPA now expects the "major factor" in the business recovery to be "a steady increase in personal consumption." The Government claims that the department store indicator is not reliable, since it covers only 10 per cent. of retail trade and is distorted by the depression in the corporate sector.

Canberra settlement hopes fade

BY KENNETH RANDALL

CANBERRA, Nov. 10.

'ES FOR a resolution of the tralian political crisis, now ts fifth week, receded again ght, despite the scheduled ting tomorrow morning be- n the Prime Minister, Mr. tlam and the Opposition er, Mr. Fraser.

will be the first direct dis- ion between the two leaders e the Opposition's decision to k the passage of the Budget n attempt to force a general tion.

it statements to-day indicated their expectations of the ting differed so widely that chances of finding common nd were remote.

r. Fraser said he was "insisting absolutely" that there must be an early general election and he hoped the meeting would be able to "plan constructively" for it. Mr. Whitlam said he hoped "something will happen" but he could not give in to the demands of the Senate, where the Opposition majority has now refused three times to deal with the Budget bills.

The Opposition leader had also demanded that senior Treasury officers and representatives of the Attorney-General's department should attend the meeting to give advice "which should not be available only to the Government." Mr. Whitlam responded: "I do not want him or anyone else to be under the impression that a meeting is taking place to permit him, as Leader of the Opposition, to either name the date of an election or to receive advice from officials."

The Government has now now announced that normal pay for most of its employees cannot be guaranteed beyond November 27 if the Budget Bills are not passed. Most public service unions have agreed that their members will continue to work on the promise of later payment, but in most cases affecting the general public this will not prevent disruption of services.

Cardinal launches Beirut talks

BY IHSAN HIJAZI

BEIRUT, Nov. 10.

LEBANESE situation has ed into a mixture of diplo- ic contacts, plans for political economic reforms, and ted business activity, against ckground of tension arising kidnappings and sporadic ting.

special envoy of Pope Paul, dinal Paolo Bertoli, began a s of meetings to-day with country's political and reli- s leaders, to preserve what alled "the Lebanese formula brotherly co-existence among lems and Christians." He President Suleiman Franjieh, Parliament Speaker Kamel al d, Premier Rashid Karami, was planning contacts with stian and Moslem clergymen vell.

Premier Karami took out more time from Government business to lay down his programme of reforms which he intends to submit to the Cabinet on Wednesday and to Parliament on Thursday, if the House will be able to meet at all. The deputies' fear for their lives has stopped them from attending previous Parliamentary sessions.

Mr. Karami has spoken only in general terms about his programme, but reports in the Press say he intends to propose a national covenant and measures to re-establish the authority of the State. He was reported also to be thinking of reshuffling a number of Army officers in his capacity as Minister of Defence. According to several newspapers to-day, he wants to have Col. Jules Bustany replaced as chief of military intelligence (known as the "Deuxieme Bureau").

The Leftist Press has continued to claim that agents of the Dieuxieme Bureau were responsible for a spate of kidnappings and counter-kidnappings yesterday, which injected additional tension into the situation. Some 100 people were abducted here and in the suburbs, but most of them were set free later after intervention by the higher co-ordination committee charged with enforcing the ceasefire. At one point an Army patrol clashed with Rightist armed men and killed three of them, while one soldier lost his life.

The incidents however did not hinder the gradual return of life to normal, as an increasing number of Lebanese went to their work to-day and many shops and banks reopened for business.

● The Lebanese Army said that an Israeli force entered its territory to-day and is believed to have abducted several Lebanese when withdrawing under fire, Reuter reports.

But UPI reports from Tel Aviv that Israel said its security forces hunted down and killed four Arab guerillas near an apple orchard after the death squad infiltrated the barriers strung along the Lebanese frontier near the northern town of Metulla. The military command said there were no Israeli casualties.

New Dacca Government

NEW leader of Bangladesh, ner Chief Justice Abu t Mohammed Sayed, to-day ounced a new allocation of ernment Ministries to him- and heads of the armed es, according to Radio gladesh.

e was sworn in as President week after a week of tical turmoil, and also took us chief martial law administor in the moves to bring ility to the country following August overthrow and mur- of Sheikh Mujibur Rahman. o-day's announcement said the sident would take charge of Ministries of Foreign Affairs, ence, Planning, Law and Parliamentary Affairs and Justice, as well as the President's Secretariat and Division, the Cabinet Secretariat and Division and the Establishment Division.

Other Ministers have been divided among his three deputy chief martial law administrators who are the heads of the army, navy and air force.

The radio said the chief of army staff, Major-General Ziaur Rahman, had been given the Ministries of Finance, Home Affairs, Industries, Commerce and Foreign Trade, Jute, Information and Broadcasting, Education, Scientific and Technological Research and Atomic Energy.

Reuter

Nigeria takes over TV, radio

By Our Own Correspondent

LAGOS, Nov. 10.

NIGERIA has decided to take over all radio and television networks throughout the country.

The Federal Information Commissioner, Brigadier Ibrahim Haruna, said the move was aimed at conserving the country's limited capital and manpower resources. He said the independence of the six radio and television stations being compulsorily acquired would be guaranteed, and the Government would not interfere in their day-to-day administration.

The Federal Government has already taken over two of the country's most successful national newspapers.

Our Foreign staff adds: The stations being taken over are run by the states, in addition to the stations run by the Nigerian Broadcasting Corporation. Their takeover will probably be seen as a move to reduce the independence of the states and to reduce their spending. No British companies are directly affected by the takeover.

Amin awaits Soviet reply

BY JOHN WORRALL

NAIROBI, Nov. 10.

'LOMATIC sources in Uganda ay said a high Soviet emis- —possibly a vice-president— expected in Uganda in the t day or so for talks with sident Amin. This follows nings by President Amin that would break off diplomatic tions with the Soviet Union ess Moscow explained its out- it support of the Popular vement for the Liberation of gola (MPLA.)

'resident Amin, who is chair- n of the OAU, has been ered by the action of the iet Ambassador in Kampala demanding that Uganda uld express its solidarity with Soviet-backed MPLA. This lowed a Russian note last ek saying the Soviet Union uld back the MPLA if it lared unilateral independence Angola.

The OAU policy is to work agreement between the three rring liberation groups to form a Government of National Unity. President Amin has been holding talks in Kampala with the OAU political bureau and liberation group leaders to urge this solution on Angola.

Meanwhile Soviet experts in Uganda were recalled to-day from provincial towns pending the outcome of the row. Soviet experts are training Uganda Army personnel in handling Russian equipment.

POET FACES TRIAL

PRETORIA, Nov. 10.

ANTI-APARTHEID poet Breyten Breytenbach was to-day sent for trial in the Supreme Court on charges carrying the death penalty. He is accused under the terrorism and anti-Communism acts of helping set up an illegal organisation to promote armed struggle in South Africa aimed at overthrowing the White Government.

Reuter

NEW MINISTERS IN TANZANIA

By Delia Denman

PRESIDENT JULIUS Nyerere has named 10 new Ministers in his Cabinet—two of them women and one European—which has been enlarged both by the creation of two new Ministries and the division of the former bulky Department of Commerce and Industries.

The former Minister of Finance, Cleopa Msuya and the former Minister of Commerce and Industries, Amir Jamal, have changed places, with Mr. Jamal now in overall charge of development planning as well as the economy. Mr. Msuya has been given the industries portfolio and a new member, Alfons Rulegura, is Commerce Minister.

TEN YEARS AFTER UDI

Smith's partial success

BY TONY HAWKINS, SALISBURY CORRESPONDENT

RHODESIANS celebrate the tenth anniversary of their Unilateral Declaration of Independence to-day, uneasily aware that for all their success in overcoming economic sanctions, a real settlement and international recognition remain as elusive as ever. Proclaiming UDI in 1965, Mr. Ian Smith, the Prime Minister, said it would stimulate investment and end uncertainty. He was half right; the economy has grown faster in the past ten years than in the previous ten, which included the boom created by the establishment of the short-lived Federation of Rhodesia and Nyasaland.

At constant 1965 prices, real income per head in Rhodesia has risen 34.5 per cent. in the past decade, compared with 7 per cent. between 1954 and 1964. This is no mean achievement against the background not only of economic sanctions and of several seasons with bad farming weather, but also of the outbreak of the guerilla war nearly four years ago. Almost every economic indicator shows that the past decade, and particularly the period since 1969, has been one of the most prosperous that the country has ever enjoyed.

However, the upswing has slowed down sharply since early this year—not because sanctions have suddenly become more effective, but because Rhodesia is feeling the cold of the international recession. If world demand were there to be exploited, Rhodesia's exporters would probably get round the sanctions barrier again as they have done successfully in the past ten years. The problem is that international demand for Rhodesian primary exports is at an ebb and prices are depressed. Consequently, the balance of payments is under very severe strain indeed, requiring drastic reductions of import quotas, which, in turn, during the past six months have caused the first drop of industrial output since 1966.

Even so recession is still very mild by world standards. Redundancies to date total little more than 2,000 or only ½ per cent. of the industrial and commercial labour force. A total of 34 factories are working short time and most quoted companies are still reporting increases in earnings. Inflation, which has averaged less than 3½ per cent. a year since 1964 is currently running just below 8 per cent. While historically high for Rhodesia, that pales into insignificance alongside the British—or for that matter the South African—experience.

> 'If world demand were there to be exploited, Rhodesia's exporters would probably get round the sanctions barrier again as they have done successfully in the past ten years.'

Rhodesia's economic performance since 1965 falls into two distinct compartments. The 1966-68 period was one of declining exports—down 40 per cent. over the three years—stagnant employment, and only marginal growth. Not only was real income per head in 1968 below its 1965 level, but it was lower than it had been 12 years previously in 1956. Exports bottomed out in 1968, since when they are estimated to have more than doubled fuelling a sustained upswing that lasted into the first half of 1975.

External payments have been tightly controlled throughout, with foreign investment and long term capital inflows financing the persistent current account deficit. It arose largely from the net invisible outgoings such as services and investment income. But the fact that the economy has managed to grow by more than 7 per cent. a year in real terms shows that the payments constraint, while severe, has not been sufficient seriously to curtail economic expansion.

Like agriculture, mining was a prime target of sanctions. None the less output has risen 90 per cent. in volume and more than 150 per cent. in value since 1965. It is a vital industry from the foreign exchange viewpoint, with upwards of 90 per cent. of mineral production being exported, notably chrome, nickel, gold, copper, and asbestos.

Despite a fall of some 20 per cent. in tobacco production since UDI the volume of agricultural output has risen by an estimated 75 per cent in the past decade while the value has more than doubled. The role of tobacco has diminished relative to that of livestock products (meat and milk), cotton, maize, sugar, and groundnuts.

Last year, when primary product prices reached their cyclical peaks, primary exports accounted for upwards of 80 per cent. of Rhodesian export revenue, accentuating the continued dominance of the primary sectors despite the increased sophistication of manufacturing.

The volume of manufacturing production has more than doubled in the past ten years. The most rapid expansion has taken place in the metals sector with substantially increased processing and smelting of minerals such as chrome and the expansion of the iron and steel industry. The textile sector has come not far behind, including cotton ginning. The ten-fold expansion of cotton production since 1965 partly resulted from the diversification of agriculture from its undue dependence on tobacco. Before UDI Britain was buying some 40 per cent. by volume of the tobacco crop and providing about 60 per cent. of the revenue. The tobacco sector was—and still is—the main victim of sanctions.

The diversification of manufacturing—behind the protective wall of import control—has probably been the largest single growth stimulus. But diversification was not confined to secondary industry. It took place in mining with the exploitation of a wider range of base minerals than produced prior to 1965, and with the emergence of nickel as a major export. There now are four significant nickel mines operating in Rhodesia, all of them owned by South African or British-based multinationals—Anglo American, Rio Tinto, and Johannesburg Consolidated Investments.

Although Rhodesia has one of the fastest growing populations in the world—the African population growing by 3½ per cent. annually, real income per head since 1965 has expanded at an average annual rate of 2.9 per cent. This is a better record than that achieved by South Africa, by Zambia, and by Ghana. Real Gross Domestic Product has averaged a 7.2 per cent. growth rate since 1965, which is substantially above the average for Third World developing nations. During this ten-year period, the economy has not been radically restructured. Manufacturing, which accounted for some 20 per cent. of GDP in 1965, now accounts for rather more than 25 per cent., reflecting the more rapid expansion of this sector. But that is a thoroughly normal growth pattern for a developing economy, particularly one that created a need for large scale import replacement by imposing very severe import controls, and one which has, as a matter of policy, sought to increase the processing and upgrading of primary products, both agricultural and mineral.

The immigration record too has been much more impressive than might reasonably have been expected, with a net inflow of some 38,000 Whites since 1965, equivalent to about 14 per cent. of the current White population of 277,000. But the immigration figures reflect a substantial floating element in the White population, with 109,000 new arrivals since 1965 (not far short of 40 per cent. of the White population) and some 70,000 departures. At present emigration, encouraged by political uncertainties, and extended military call-ups, is running at 900 monthly, but still there is a net inflow of some 200 Whites a month, partly, if not largely, attributable to Portuguese refugees from Mozambique and Angola.

The signs are that the economy will not bottom out until the second half of 1976, or possibly even later, so that this year and next will be years of nil growth and declining real income per head, largely caused not by sanctions but by the world recession. In Salisbury, there is a tendency to draw parallels between the current situation and that existing in 1966-67 when sanctions were at their peak, arguing that now, as then, the problems are essentially transitory. But are they? Although the economic success since 1965 has been considerable, the declaration of independence has failed to achieve its primary goal of "ending uncertainty," to use Mr. Smith's phrase. Instead, uncertainties have proliferated.

With the collapse of the Portuguese administration in Mozambique, the marked deterioration in relations with South Africa and the emergence of the Lusaka-Pretoria alliance working for an early Rhodesian settlement, White Rhodesians are more isolated than ever before. If Mr. Smith is really going to end uncertainty, then he will have to act in his resumed talks with Mr. Joshua Nkomo's Nationalists just as decisively as he did ten years ago. Only this time, having found that UDI has brought him into a political cul-de-sac, he will have to strike out in a different direction—one that runs counter to the philosophy, the hopes, and the mood of the majority of the White population.

Lisbon Cabinet, AFM may disband military police

BY PAUL ELLMAN

LISBON, Nov. 10.

THE PORTUGUESE Government was again meeting to-night with the country's military leadership to press for fresh measures to end disorders fomented by the extreme *Left*.

The Prime Minister, Admiral Pinheiro de Azevedo, requested the meeting in the wake of *yesterday's scenes of pandemonium* at a pro-Government rally here. A similar meeting last week resulted in the dramatic decision to blow up the transmitters of *Radio Renascenca in order to* end its use by extreme Leftists who had been occupying the station.

To-night's meeting was expected to see calls, and possibly approval, for the disbanding of the military police who have been widely blamed here for adding to yesterday's disorders, if not actually provoking them.

The military police, at one time a unit which the authorities could call in to break up disorders, has become increasingly identified with the extreme *Left* SUV (Soldiers United will Overcome) group, which demands an end to formal military discipline and the creation of a "people's Army."

The actual disbanding of the military police is not expected to begin for at least two weeks, since the Government is now awaiting the return of the last troops from Angola, numbering several thousands, who began boarding their troopships in Luanda to-day.

These are mostly paratroopers and commandos who have avoided the radicalisation which has sapped the discipline of many units inside Portugal, and the Government is expected to use them to spearhead its continuing crackdown on the extreme Left.

The Government at tonight's meeting was also expected to *seek the approval of the Revolutionary* Council of the Armed Forces Movement (AFM) for its decision to avoid recognising any of Angola's warring independence movements as the sole representative of the territory's people

The Government's policy was voted through at a meeting which lasted until 5 a.m. this morning, and which was also *attended by the leaders of the* three principal parties—Dr. Mario Soares of the Socialists, Dr. S. A. Carneiro of the Popular Democrats and Dr. Alvaro Cunhal *of the Communists*.

One of those attending the meeting said that the Government had fended off a bid by President Costa Gomes and the Co-operation Minister, Admiral Victor Cresto, to recognise the Popular Movement for the Liberation of Angola (MPLA) as the sole legitimate Government.

President Costa Gomes and Admiral Cresto represent half *the membership of the Commission* for Decolonisation. Of the other two members, the Foreign Minister, Major Melo Antunes, reportedly wavered, *while the Premier argued* fiercely against the proposal. Eventually the Prime Minister swung the Government behind him and the Cabinet agreed to recognise no single authority in Angola.

The Revolutionary Council's final decision on this question was not expected to be made known until late to-night. Meanwhile the tension surrounding Angolan independence diminished somewhat with the ending of the state of alert of the armed forces.

If the Revolutionary Council supports the Government's decision, the recognition debate *is likely to move with events on* the diplomatic front. East European countries have lined up behind the MPLA and the Portuguese Government's own commitment to forging close links with Eastern Europe is likely to be used by Communists here to support their own campaign.

Slim prospects for Iceland fishing talks

BY DAVID BUCHAN

THE CURRENT fishing agree*ment which allows British* trawlers to fish up to 12 miles from the Icelandic coast may well expire on Thursday without any further talks between the two Governments.

Over the week-end the *Icelandic Foreign Minister*, Mr. Einar Agustsson, said that an agreed solution before Thursday looked impossible, beause the British Minister handling the matter, Mr. Roy Hattersley, would not be back from an American trip until Saturday.

Sources in Whitehall said yesterday that Mr. Hattersley would cut short his United States visit if Iceland so wished, but there has been no such signal from Rejkjavik yet. Mr. Hattersley *could easily go straight from* the U.S. to Iceland next week-end before returning to the U.K.

Mr. Agustsson warned on Sunday that the Icelandic coast guards would act to clear British trawlers from banned waters *after Thursday, while the British* Prime Minister, Mr. Harold Wilson, told the House of Commons *on October 21 that after November 13* "no British fishing vessel will go without protection where protection is necessary."

But Whitehall was confident *yesterday that there would be* no trawls cut or shots fired in anger. The British position, as stated by Mr. Hattersley, is that after Thursday "the clock stops" on the present agreement in the expectation that its successor can be fairly quickly negotiated.

Though Mr. Hattersley may not cut his American trip short, he could go to Rekjavik straight after it, and Mr. Agustsson has *said that he would be very happy* to receive him in the hope "that he had something new to offer."

The latest negotiations concern figures about the recent decline *in fish catches in Icelandic waters* from the Iceland Marine Institute. British fishing experts discussed these last week in Reykjavik. While Britain does not centest past figures it does not agree with the gloomy *Icelandic projections* about future catches.

FAO gets a new director

By Dominick J. Coyle

ROME, Nov. 10.

DR. EDOUARD SAOUMA, aged 48, a former Lebanese Agriculture Minister, was *to-night* elected the new Director General of the UN Food and Agriculture Organisation (FAO) for a six-year term, replacing Dr. A. H. Boerma who retires from the agency at the end of the year after 25 years with FAO, eight of them as Director General.

There was a move to-day to make Dr. Saouma's election unanimous by acclamation, after he had headed a first ballot of six candidates with 62 votes, but the rules of the 133-member agency dictated a second secret poll, at which the new Director General secured 121 votes. There were seven abstentions.

Delays over the formal election of Dr. Saouma, the current director of Fowls Land and Water Development Division, prevented the outgoing director general *from* making his scheduled keynote address to the agency's biennial governing conference which continues until November 27.

Dr. Boerma will address delegates to-morrow when he is expected to underline his view of the continuing inadequacy of world food reserves, with the heavy cereal imports by the Soviet Union this year effectively neutralising any advantage in terms of the developing countries of bumper grain crops in North America.

Bulgarian move to ease tensions in Balkans

VIENNA, Nov. 10.

BULGARIAN Foreign Minister Petar Mladenov begins a visit to Yugoslavia to-morrow that could signal Kremlin interest in closer Balkan cooperation.

In Sofia, diplomats said the 48-hour visit *indicated a serious* Bulgarian effort to overcome long-existing tension and to place relations with Yugoslavia on a realistic basis.

Bulgaria was reported anxious to ease inter-Balkan strains *before senior officials meet in* Athens, possibly next month, for a Greek-sponsored conference on Balkan economic cooperation.

The Athens conference could be a first step towards warmer relations between Greece and Turkey, both Nato members, and three Communist nations — Bulgaria, Romania and Yugoslavia — in a region that has always been regarded as a potential flashpoint.

Yugoslavia attaches importance to the Mladenov visit because it believed the Bulgarian initiative had Moscow's support, or was even inspired by Russia, informed sources said.

Since 1948, Yugoslavia has regarded Bulgaria as a reliable barometer of Soviet interests in the Balkans. Bulgaria is generally considered Moscow's closest ideological ally in Europe.

Bulgarian willingness to improve relations could also indicate a Soviet desire to avoid tensions, Yugoslav sources said.

Yugoslav-Bulgarian relations have been strained intermittently since 1948, when President Tito was drummed out of the Soviet bloc, a move that shattered Bulgarian hopes for a Balkan *Communist federation*.

The tensions sharpened over Yugoslav demands for recognition of their 1.6m.-strong Macedonian community as a separate ethnic group with historical links on both sides *of the* Yugoslav-Bulgarian frontier.

Bulgaria says there are no Macedonians, only Bulgarians.
Reuter

Trieste dispute is over

ANCONA, Nov. 10.

ITALY and Yugoslavia to-day signed agreements putting an end to their 30-year-old Trieste dispute.

Yugoslav Vice-Premier Milos Minic and Italian Foreign Minister Mariano Rumor met in the Adriatic port city of Ancona, halfway between their capitals, for the signing ceremony.

The agreements *finalised* a 1954 partition of the former free territory of Trieste, with Italy retaining the city of Trieste and the surrounding Zone A and recognizing Zone B as part of Yugoslavia.
UPI

Vatican steps up anti-Communist campaign in Rome

BY DOMINICK J. COYLE

ROME, Nov. 10.

THE VATICAN, through Cardinal Ugo Poletti, the Papal Vicar of Rome, is stepping up its campaign to prevent the city *falling under Communist domination* following municipal elections next spring, arguing forcibly that Roman Catholics may never compromise with Communists.

Cardinal Poletti, seen *generally to represent the Right*-wing of the Catholic Church, has insisted that a Communist electoral victory in Rome would mean confronting the Catholic Church in its own *spiritual* world capital. His views are known to be endorsed by the Pope.

The Communists, the second largest party in *Italy*, made sweeping gains in the June 15 local elections and now effectively control, either separately or as the predominant coalition partner, such cities as Bologna, Milan, Turin, Venice, Florence and *Naples*. *A continuation of* recent electoral trends would give the party a significant, if not quite an exclusive, voice in the administration of Rome itself next year.

The Vatican is clearly highly sensitive to such *political* development, not just out of opposition to Communism itself, but because Rome, the Eternal City, is linked symbolically and by tradition with the centre of Roman Catholicism.

It is true that The Vatican, the tiny city State, is, in poliitcal and constitutional terms, quite separate from Rome itself, but the distinction is more a fact than an accepted *conventional* understanding with Roman Catholics throughout the world.

Over 100 years ago, when, under Pope Pius IX, the Catholic Church lost its patrimony as part of the emergence of the *Italian* Republic, the then spiritual ruler of the world's Roman Catholics observed: "All that I want is a small corner of earth where I am master."

A Communist electoral victory next year in Rome would not, *of course, alter the Pope's status* as a temporal ruler, but The Vatican is no doubt highly sensitive to a situation in which Rome, so identified world-wide with the Roman Catholic cause, could be ruled by, or in co-*operation* with, the Communist Party.

Cardinal Poletti, in an interview with Vatican Radio over the week-end, was at pains to *discount* the arguments of some ecumenists — and of many moderate Italian Catholics, including some politicians — that the Second Vatican Council's document *on* the church in the modern world dictated that "Christians must admit the legitimacy, the multiplicity and diversity of temporal options."

He had, said the *Cardinal*, no wish to contest the liberty of *any citizen to legitimate choice* in temporal affairs, but Roman Catholics could never compromise with Communists . . . whose doctrine was irreconcilable with the Gospels and with *the life of* those who had made the choice *of faith*."

Osservatore Della Domenica, the official Vatican organ, commented in a related *story* yesterday that the Italian Communist Party was *merely* delaying its bid for power in Italy "as a matter of strategy and tactics," presumably a reference to the party's current view that it is not *anxious to secure* an immediate and direct role in government, but does insist on bei[ng] consulted on government poli[cy].

The Communists, aware th[at] the Italian electorate rema[ins] predominantly Roman Catho[lic] at least in nominal terms, a[re] clearly anxious to avoid a[ny] direct confrontation with t[he] church in advance of natio[nal] elections scheduled for 1977 a[nd] have limited their reactions [in] the past to Vatican criticisms [to] general calls for "mutual r[es]pect between church and Sta[te]."

However, even the m[ore] moderate elements in the C[om]*munist* Party, and indeed other Italian political circ[les] might find it difficult to [?] such mutual respect on Car[dinal] Polettis' earlier remarks [?] month *to Rome parish* pri[ests] that a Communist adminis[tra]tion in the city would invo[lve] "questions of world balance."

13 Greek policemen go to trial

EUBOEA ISLAND, Nov. 10.

THIRTEEN police officers will appear before a criminal court on this Greek island to-morrow *on charges of torturing political* prisoners.

They are charged with causing severe bodily injuries and abuse of authority during the military régime which collapsed in July last year. They face terms ranging from three to ten years.

Among the defendants are two police superintendents, Evanghelos Mallios and Petros Babalis, who were in charge of *dealing with anti-régime* activities for the Athens security police.

The 684-page indictment, drawn up after sevedal months of investigation, said the defendants used torture to extract *information from political* prisoners about their activities during clashes at the Athens Polytechnic in November 1973, in which at least 34 people were *killed and more than 1,000* injured.

"After the bloody incidents in November 1973, hundreds of people were arrested and interrogated by Athens security police. The defendants, in order to find out who organised these demonstrations arrested and brutally tortured about 41 people, most of them Left-wing students," the indictment said.

It accused the *defendants of* using "the falangha" (beating of the soles of the feet with iron rods), thrusting truncheons into rectums, applying electric shocks and causing severe burns on genitals, and using threats of rape.
Reuter

GREEK-CYPRIOTS STAGE RALLIES

By Our Own Correspondent

NICOSIA, Nov. 10.

GREEK-CYPRIOTS, in mass rallies staged in Nicosia and other towns to-day, demanded that a Cyprus settlement should be sought "through the United Nations"—indirectly rejecting proposed mediation efforts by U.S. Secretary of State Dr. Kissinger.

A resolution approved at the rallies denounced any "hybrid solution that would be based on *unacceptable compromises and* faits accomplis."

The gatherings, which passed off quietly, weer held on the eve off quietly, were held on the eve General Assembly. There was a general stoppage of work in Greek-Cypriot areas and all shops and schools were closed.

Other slogans carried by the demonstrators called on Turkish-Cypriots to join the Greek-Cypriots in a "joint struggle against the common enemy—Turkish chauvinism."

There were also demands for the implementation of U.N. resolutions on Cyprus, withdrawal of Turkish forces from the island, the return of the refugees and an end to the colonisation of the island by immigrants from Turkey.

Foreign ministers plan to increase role in the EEC

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Nov. 10.

THE NINE EEC foreign ministers are to try to play a much more active role in supervising and co-ordinating the Community's affairs. Henceforth, they have decided, they will keep much closer track of developments in all the other *more specialised ministerial* councils, ranging from agriculture to transport and education, and they will also periodically *draw up overall reports on the* "State of the Community" for submission to heads of government.

Another important innovation *will be joint council meetings* between foreign ministers and their specialist colleagues when important political issues are at stake. The first such session could take place towards the end of this month, when it has been *proposed that foreign and agri*cultural ministers should meet together to prepare for a review of the Common Agricultural Policy (CAP) by heads of government at the Rome summit on December 1 and 2.

One of the most potentially interesting of such sessions could well be the joint meeting of foreign and finance *ministers that it is now proposed* to hold each year to discuss the EEC budget. Signor Mariano Rumor, President of the Council, said last week that the aim would be to help make the budget "an instrument of *political* decision-making"—a role that it has failed to play in the past. This year, in particular, there have been strong complaints from the European *Parliament that the budget is no* more than an accounting device.

The first "State of the Community" report has already been drawn up for possible submission to the Rome summit. *The aim is to summarise* developments in all the various areas of Community activity so that the heads of Government can quickly *see where* political action is required. The first report, however, has already drawn criticism for being vague and unincisive.

The heads of Government face a heavy agenda at the Rome *meeting*. *Major* political issues include the forthcoming world conference in Paris on energy and raw materials, direct elections to the European Parliament, *plans for European union*, and the introduction of a common passport for EEC citizens.

They are also expected to review the general economic situation, budgetary policy and *the Common Agricultural* Policy, and development aid policy, as well as important current foreign policy issues, which are almost certain to include Spain. *On development* aid, France has said it wants an overall balance-sheet drawn up of the Community's commitments before agreeing to further initiatives.

MPs may restore Budget cuts

BY ROBIN REEVES

LUXEMBOURG, Nov. 10.

THE EUROPEAN Parliament starts its campaign here to-morrow aimed at restoring many of the cuts in the EEC's 1976 Budget agreed to recently by the Common Market Council of Ministers, under West German pressure.

The whole of to-morrow's session has been set aside for debate on the budget. MPs will have before them amendments to restore over 300m. of the 500m. units of account (125m. *out of £208m.) overall cut in the* Brussels Commission's original draft budget insisted upon by the Bonn Government.

A bid by a German Socialist MP, Herr Erwin Lange, to gather support for a drastic 1,000m. units of account reduction in the Community farm budget—in order to make more money for other policies—is not expected to get off the ground. MPs here generally recognise that even *the West German Government* drew back from insisting on savage cuts in the farm budget, because this would have effectively meant signing the death warrant of the Common Agricultural Policy.

The EEC expenditure which the Parliament's budgetary committee wants restored includes 7,000 u.a. for veterinary inspection to 100m. u.a. for the social *fund and 150m. u.a. for the* regional development fund. The committee remains unimpressed by the understanding that some of the items struck out of the original budget could be restored by supplementary budgets during the course of next year.

Assuming most amendments get the necessary support of at least 100 MPs when the votes are taken on *Thursday*, the Parliament will exceed the amount by which it is empowered to increase EEC expenditure in any one year. The precise figure is a matter of dispute between the Council and the Parliament, but *it is certainly* no more than 78m. u.a.

If then the Council rejects the Parliament's changes, as seems almost inevitable, the Parliament at its December session will have two courses of action. It could *either accept its budgetary ceiling* and by a process of political horse-trading decide which items of expenditure should be given preference; or alternatively, it can stick to its guns and find itself once again on a collision course with the Council over budgetary powers.

Hydrocarbons in Danish N. Sea

BY HILARY BARNES

COPENHAGEN, Nov. 10.

THE DANISH underground consortium announced the discovery of a thin layer of hydrocarbons in test well U-1 in the Danish sector of the North Sea about 20 kilometres north of the Danfield oilfield. Further tests are to be carried out on the find, said the announcement, which did not give any flow data.

A new well, V-1, is to be spudded ten kilometres north of the U-1 well by a new rig, Maersk Explorer, the first rig to operate under the Danish flag.

Meanwhile the appointment of a ministerial committee to examine a report on the consortium's concession has started speculation in the Press that the Government may wish to reconsider some aspects of the concession. Partners in the consortium are Texaco, Shell, Chevron and Denmark's AP Moeller.

Both the Ministry of Commerce and AP Moeller are keeping quiet about the report, but according to a Copenhagen newspaper, Berlingske Tidende, the *report may open the way for the* authorities to reconsider the consortium's concession to exploit gas.

The concession to search for oil is not in question, said the paper.

The *consortium has a 50-year* exclusive search and exploitation concession to the Danish offshore area but the contract requires the fulfilment of a number of *conditions*. Some of these are open to interpretation, but any dispute on the concession would have to go to an arbitration court, before the Government *could intervene*.

Italian airports blocked by strike

By Anthony Robinson

ROME, Nov. 10.

TRAFFIC at Italian airports [w]as effectively blocked to[day] through a strike of airport e[m]ployees—*itself merely* one ma[ni]festation of a wider strike [by] public service employe[es] demanding not only higher p[ay] but a fundamental reform of [the] public sector, so as to repla[ce] the present anarchic jungle [of] *pay scales with a more ratio[nal]* system.

Ironically the administrati[ve] officers managed to bring b[oth] national and international tra[ffic] to a standstill at a time wh[en] the independent Italian pilo[ts'] union ANPAC decided te[m]porarily to call off its own wi[ld]cat strikes which have disrupt[ed] Alitalia flights since May. T[he] pilots' decision to resum[e] *negotiations has not howe[ver]* inspired much optimism in [air]line and Ministry circles, wh[o] predict further Alitalia stri[kes] shortly.

Apart from blocking air tra[ffic] the public services strikes ha[ve] *also meant long delays at* Italian frontier to-day thro[ugh] the strike of customs offic[ials] and the virtual paralysis of wo[rk] in the Ministries and periphe[ral] offices of the Civil Service.

In Sicily meanwhile the wh[ole] *island was in the grip of* general strike calling for mo[re] investment and jobs, wh[ile] chemical workers staged a natio[n]wide four-hour strike.

Unions and Government rep[re]sentatives are due to m[eet] *again on November 18 to* p[ress] for a major overhaul of the ent[ire] career and salary structure [of] the Civil Service.

● **In Paris:** Cabin staff [of] France's three airlines called [off] a strike which threatened [to] *paralyse operations for 48 hou[rs]* on Friday and Saturday.

Union leaders said they ha[d] cancelled the strike call aft[er] reaching an agreement on wor[k]ing hours, holidays and promo[]tions with the management of th[e] *three airlines*.
Reuter

Germany, France most active 'co-operators'

GENEVA, Nov. 10.

West Germany and France w[ere] the most active Western co[un]tries in east-west industr[ial] co-operation, a survey by [the] UN Economic Commission [for] Europe (ECE) showed to-day.

The two countries ac[]counted for 27 per cent. o[f] 207 east-west industrial contra[cts] surveyed by the UN agency.

Hungary, Poland, Roma[nia] and the Soviet Union took pa[rt] in nearly 90 per cent. of th[e] contracts.
Reuter

Economic policy will :est unity of W. Germany's SPD

Y NICHOLAS COLCHESTER BONN, Nov. 10.

ST GERMAN Social Demo- ; converge to-morrow on nheim for a five-day party ress that will involve more by more people over a ter outpouring of paper than before. The outcome will whether the party can con- its own differences and pro- the basis for a new Social ocrat-Free Democrat part- hip in next year's general ion campaign.

vo weeks ago the Free ocrats held their annual ress and provided the SPD an example of cohesion— rand of liberalism with a ervative flavour, particularly s economic aspects. Since omic management is ex- ed to be the central issue in year's election, the FDP prompted the main question be SPD congress: can the faithful unite around an omic concept that is com- le with that of the FDP and bly indigestible to its own

mpromise

e party leaders hope so. Willy Brandt, the party man, has constantly sed the need for compro- in the run up to this ress, and the SPD floor r, Herr Herbert Wehner, nded radio listeners at the end that SPD politics must in in the realm of the ble. Herr Helmut Schmidt, federal Chancellor and the vice-chairman, is less an cate of compromise than nan who so evidently needs continue governing in his style.

e discussion will centre nd the SPD's recently com- d Orientation Guidelines 1985. This document con- little to chafe anybody— r it is a long-life corset with nt inbuilt elasticity. For nce, it allows for "creeping lism" by suggesting that Government should have information with which to tor industry's capital invest- , but at the same time it ses the sanctity of private ion-taking in private stry.

this context the question of estment steering," which provided the party in recent hs with an ideological bone aw, could still p de argu- at Mannheim, t...ugh it is difficult to imagine what remains to be said on the subject. More likely, and more uncomfortable, is a set-to over the question of "parity mitbestimmung," the equal representation of labour and capital on the supervisory boards of West German companies.

Attacked

Parity mitbestimmung is one of the unkept promises of this coalition. The two coalition parties have been consistently rumoured to be moving towards compromise, and on Saturday the emerging shape of this compromise was bitterly attacked by Herr Heinz Oskar Vetter, the president of West Germany's Trades Union Congress. Herr Vetter issued palliative words on Sunday, saying that the unions were softening their demands for full parity. Yet it seems that mitbestimmung, a touchy subject between the FDP and the SPD at a delicate moment in their coalition, will now receive the airing at Mannheim that the party leaders have been eager to avoid.

In the end it will be in the executive elections that the message of this congress will emerge. It will be important that both Herr Brandt and Herr Schmidt get re-elected with good and equal majorities. For while Herr Brandt personifies the soul of the SPD, Herr Schmidt personifies its ability to govern, and it is important that a good relationship exists between them.

The force that separates them is best expressed in terms of the party's election strategy in 1976. The SPD must run with the FDP. Should it try to reverse its fading popularity by re-emphasising what social democracy is meant to be about, as Herr Brandt would advocate? Or should it stress moderation and readiness-to-compromise at a time of economic trouble, as Herr Schmidt and the FDP would like? The congress will provide part of the answer.

Finally, it will be in the voting that the Left-wing of the party will best express itself. Herr Georg Leber, the Defence Minister with a Right-wing reputation, may have to work hard to hold his place on the party executive. His fate will be a good litmus test of the party's true leaning.

;oviets critical of Ford's trong line on defence

MOSCOW, Nov. 10

SIDENT Ford's statement the U.S. needs a strong nce to make detente work drawn unusually harsh ism from the Soviet Union. e official Tass news agency d Mr. Ford with "supporters international tension" in ng Moscow's view on Sun- of a Presidential speech last :.

was the strongest attack in nt months on Mr. Ford by Kremlin, which generally s its best shots for military- ed personalities, such as oing Defence Secretary es Schlesinger.

plomats cautioned against ing too much into the brief dispatch. They said any ificant switch in Soviet y was more likely to appear more authoritative source, as the Communist party spaper Pravda.

it they said the tone of the hington-datelined story could a sign of Soviet impatience slow progress in reaching strategic arms limitation ement with the U.S.

his address on Friday in on, Mr. Ford said: "There o struggle between the con- s of defence and detente. have been pursuing both. to make detente succeed, we t have strong defence. We e the world a safer place by policies."

ass said a considerable por- of Mr. Ford's speech had n devoted to the need for in- sing Washington's military get and arms potential. It noted that he had urged the ate to restore cuts it made ns military budget proposals, adding:

"Evidently paying tribute to the supporters of international tension, President Ford said that force is the only sound foundation of peace."

There was no mention of Dr. Schlesinger, whose removal has been reported but not commented upon by the State-run Soviet press, although Tass did refer to new Defence Secretary Donald Rumsfeld.

Mr. Rumsfeld's "dedication to the policy of strong defence" was "well demonstrated" during his time in Congress and as U.S. representative at the North Atlantic Treaty Organisation, the dispatch said.

KREISKY WANTS TO DEFEND 'NAZI' CHARGE

VIENNA, Nov. 10.

Austrian Chancellor Bruno Kreisky will ask Parliament to lift his immunity so he can defend himself in court against statements made by Nazi hunter Simon Wiesenthal, a Government spokesman said to-day.

The spokesman said Mr. Kreisky is determined to repeat in open court his charge that the man who helped track down Adolf Eichmann and other Nazis is an "agent" and belongs to a "political mafia."

The charge came after speculation of a possible coalition between Mr. Kreisky's Socialists and the Freedom Party.

"Wiesenthal's action mainly was directed at me," Mr. Kreisky said last month.

UPI

Germans stand by belief n freedom, says Scheel

MOSCOW, Nov. 10.

ST GERMAN President lter Scheel tonight told a emlin dinner his country ild stand by its belief in the nity and freedom of the ividual, and said the Helsinki ference on detente would help open competition of ideas.

The President making the t visit by a West German ad of State to the Soviet ion, also urged the Soviet vernment to view favourably applications of ethnic mans within the Soviet ion who wanted to join rela- es in West Germany.

Observers were struck by the ectness of Herr Scheel's ech, which came three weeks er French President Valery card d'Estaing, in a similar ner speech here, provoked emlin ire with a call for ideological disarmament."

Herr Scheel said it was portant to turn the political s of the East-West Helsinki ference—where leaders of 35 ions pledged to ease the hange of ideas and informa- n—into a reality that ordinary ople could feel.

"We in the Federal Republic of Germany, in doing so, will stand by our basic convictions concerning the dignity and freedom of man and his role in society," the President declared. "The improvements in the exchange of information and opinions agreed on in Helsinki should favour an open competition of ideas."

The Soviet Press has bitterly attacked the West for what it has called its unnecessary attention to the humanitarian provisions of Helsinki. Party leader Leonid Brezhnev said political detente would never mean a halt to the battle of ideas.

Observers said emigration from the Soviet Union to Germany was a sore point between the two countries. Some 6,000 ethnic Germans emigrated last year. But the rate of emigration this year is reported to be lower.

The President thanked the Soviet Government for having given visas to "many thousands" of families and said such decisions strengthened peace.

Reuter

SWISS FINANCE

The bankers come under fire

BY JOHN WICKS, ZURICH CORRESPONDENT

SWISS bankers have for years been exposed to attack from abroad for their activities and alleged activities as successful crock-of-gold custodians. They have always been rather rattled by this criticism—even though the gnome image has been good for business rather than otherwise—but were able to attribute foreign insinuations to ignorance or envy or both.

A new development on the home front is much harder to shrug off: it is the growing belief in influential official, political and business circles in what has become known as the "re-dimensioning" of the banks' operations. Basically, the contention is that the development of the financial community should be stopped to guard against a situation of imbalance in which other sectors of the economy could suffer from over-powerful banks. This would involve the introduction of controls and restrictions and, in individual cases, result in a cutting back of the activities of the financial community and not merely the slowing down of growth.

The past few years have already seen numerous Government and National Bank moves to limit banking operations. Faced by sudden inflows of hot money from abroad, a drastic overheating of the domestic economy, the collapse of fixed exchange rates, and record inflation, the powers-that-be launched a monetary restraint policy. Bankers were confronted with official restrictions on various fronts, prominent among them a ceiling on the growth of bank credit, clamp-downs on foreigners' Swiss-franc deposits, forward purchases and investments. No interest may be paid on deposits in Swiss francs of non-residents and a negative interest of no less than 40 per cent. per year is charged if the deposit was made after October, 1974. Another reform introduced the creaming-off of excess funds into minimum reserves held temporarily by the National Bank for reasons of economic policy rather than of safety.

So far there has been no real outcry from the banks against the gradual official encroachment upon old rights and liberties. Most of them are sophisticated enough to realise that the formerly sacrosanct position of Bahnhofstrasse in Zurich is a thing of the past. Bankers have shown their understanding for measures intended to combat inflation. Switzerland is, in any case, still very far from being a tightly governed state or having a fettered banking system.

In the past few months, though, a number of new events have made many bankers feel that they are about to be pushed too far. Most publicity has been given to the idea least likely to be realised—the abolition of the numbered account. This was mentioned fleetingly in an after-dinner conversation between commercial bankers and the National Bank, it seems, but picked up by the Press, some claim, as the result of a kite-flying manoeuvre by the Finance Minister M. Georges-André Chevallaz. This year's Federal President, Foreign Minister Pierre Graber, publicly criticised, albeit in vague terms, certain aspects of Swiss banking secrecy, while even Dr. Leutwiler told the foreign Press that he would be pleased if the banks could have managed to get along without numbered accounts.

Much more immediate is the question of tighter bank controls. In a statement issued last month, M. Chevallaz said that these were planned, along with an expansion of his own ministry's Banking Commission and possibly the introduction of spot-check audits.

At the same time, Dr. Leutwiler told the Swiss Bankers' Association in Lugano that the authorities were by no means satisfied with the information available about foreign exchange dealings and announced plans to introduce a licensing system for dealers. Shortly before, Parliament had decided to extend beyond the end of this year the emergency legislation permitting the Government to place ceilings on the growth of bank credit. These were only removed on May 1 after having stood at first 6 per cent. and then 7 per cent. per year.

These limitations, introduced with the twin aim of guiding the economy and keeping out excessive foreign funds, naturally had the effect of dampening Swiss banks' rate of growth and causing some of their activities to decline. Just as naturally, it went hand in hand with closer Government control of the banking system—not only by giving the red or the green light to specific operations and by damming or releasing liquidity according to current needs, but also by an extension of Government influence into fields such as the banks' foreign-exchange reporting procedure.

The result has been a change in the relationship between the National Bank and the commercial banking system. The day of the gentlemen's agreement is over. As National Bank President Dr. Fritz Leutwiler recently said in one of his celebrated obiter dicta, "It is the main duty neither of the bankers nor of the head of the central bank to be a gentleman, although this quality is doubtless fully compatible with our professions." Both sides still hold regular consultations which are cordial and frequently produce agreed decisions. But the National Bank has much more sway than it had, quite apart from the fact that the Government has had to intervene often enough with rulings from above which would hardly have been within the range of a gentlemanly consent mechanism of the past.

At the end of last month, the national bank further reduced the limits for forward sales of Swiss francs to foreigners. For contracts of more than ten days, these are now held down to 60 per cent. of the volume as of October 31, 1974. Although there has been a substantial fall in transactions of this kind since the first limitations were introduced in January, the national bank says there was still room in the sector of longer-term contracts for operations designed to avoid the negative interest on new non-residents' deposits.

Bankers are horrified by talk of a tax on foreign-exchange transactions, though this has very little chance of being enacted. There would also be opposition to a renewal of the call for a central foreign exchange market in Switzerland, which does seem to be under examination again in connection with possible entry into the snake.

A matter which could quite possibly be taken up at political level in the future is the question of banks' hidden reserves. These are said to be very considerable, though the bankers claim their publication would be of no real value and misleading rather than enlightening. Hidden reserves would probably be a topic concerning Swiss corporations in general, and not just banks.

Apart from these specific moves toward restricting banking freedom, there is a growing feeling among the public—and not only among the uninformed—that banks may have enough or too much power. Late last month, no less a person than the Director of the Institute for Swiss Banking Studies of Zurich University, Prof. Ernst Kilgus, called for legal measures to limit what he called the enormous power of the banks. They were profit-making undertakings, he said, and could understandably not be asked voluntarily to place the general economic interests ahead of their own interests—even though he stressed that the banks should not be made scapegoats for the current economic situation.

> "It is the main duty neither of the bankers nor of the head of the Central Bank to be a gentleman, although this quality is doubtless fully compatible with our professions."

The sharper language on both sides is a long way from meaning that war is declared—the National Bank and the commercial banking system continue to get along remarkably well. And it would be very hard to argue against some sort of improvement in control over banks' accounts and foreign exchange transactions in view of the several instances of heavy losses and even failure in the past years.

It is not immediately obvious just how the banks could effectively resist Government action—except by moving business out of the country. There are indications that some banks are investigating the possibility of expanding foreign-based operations. If there should ever be a tax introduced on foreign-exchange transactions, it is very likely that Swiss banks would tend to move business out of Switzerland. In a modest way, some of the larger banks did get around the former stamp duty on foreign issues by setting up offshore subsidiaries for international underwriting tasks. The tax has been allowed to lapse because it produced insufficient revenue. None the less, most of the new restrictions when they come will probably be accepted with little more than a grouse. If there were any serious talks about scrapping numbered accounts or taxing forex dealings, though, the mood could change considerably.

New grocery stores raise discounts by cutting down on product range

BY ELINOR GOODMAN

TWO OF *Britain's biggest* supermarket groups are experimenting with a form of discount shop which could intensify competition in the grocery retailing market and greatly increase the number of shops in this country offering across-the-board discount prices on food in the High Street.

Fine Fare and the Fitch Lovell subsidiary, Key Markets, are both testing shops selling a limited range of products at *heavily discounted* prices.

German pioneer

By cutting overheads to a minimum and offering only one brand in any market segment, the groups hope to be able to get the volume of sales necessary to make money out of selling food *at prices about 10 per cent. less* than those in other High Street supermarkets.

Fine Fare, which is owned by Associated British Foods, recently opened two such stores under the name Shopper's Paradise in the Midlands, while Key Markets has opened one in Staines, outside London, under the name of Key Discount.

Both operations are based on the highly successful German chains of Albrecht discount stores. Albrecht acquired sites which were considered too small to trade profitably as traditional *supermarkets carrying a full* range of products at a relatively cheap price. Now, however, the *stores have developed in their* own right and are no longer merely seen as a way of using otherwise uneconomic sites.

The nearest equivalent of Albrecht in England at present is the Kwik Save chain of discount stores but the German company puts more emphasis on shopping fittings than Kwik Save *while cutting all other overheads* to a minimum. Other discounters have tended to concentrate their activities outside the established shopping centres.

The Key Discount at Staines, which is the first of three such stores to be opened before Christmas, has a sales area of about 3,000 square feet as against a sales area of about 10,000 feet for new Key Market supermarkets. Selling some 500 lines, its range is only about one-fifth of the size of a normal supermarket range. Prices, it is claimed, will be about 10 per *cent. less than in average super*markets.

Key Markets already operates 30 discount stores under the name of Save On, offering a larger range than Key Discount. At present Key Markets says the Key Discount stores are viewed essentially as a test operation but there is no doubt that the company is hoping that the concept could be used in many of its smaller stores.

Fine Fare, which opened its first Shopper's Paradise a month ago, says it is so encouraged by early results that it hopes to open at least another 30 before next April. Shopper's Paradise offers even fewer items than Key Discount with less than 400 products on sale in an area of about 3,500 square feet.

Like Key Discount, Fine Fare claims its prices are at least 10 per cent. below those of an average supermarket and between 8 to 9 per cent. less than those in a traditional Fine Fare.

Spot buying

The main difference between Key Discount and Shopper's Paradise is that while about a quarter of Key Discount's range will be sold under the company's own label and much of the rest are brand leaders, Shopper's Paradise will go for spot buying.

This means that in many product sectors, Shopper's Paradise will not offer brand leaders but whatever brand is the best buy of the moment. Similarly, apart from Potatoes, the stores will stock only whichever vegetable or fruit is considered the best value in any one week.

Hesketh seeks Grand Prix aid

BY JAMES McDONALD

LORD HESKETH, the 24-year-old millionaire who has sunk £500,000 of his personal fortune in an attempt to establish British supremacy in Grand Prix motor racing, said yesterday that unless a sponsor came forward by Friday with about £300,000 *there* would be no Hesketh car in next year's Grand Prix races.

He is considering going into motor-cycle racing.

If a sponsor for Formula One racing for the Hesketh design was not forthcoming—"and I am seeing a possible sponsor to-night and several more, including the most unlikely"—Lord Hesketh said, he could not afford the cost of an attack on the Grand Prix next year.

He disclosed that 12 of his Hesketh Racing work staff of 24 were laid off on Friday.

Hesketh Racing, although it might not operate in Formula One races next year, would not go out of business.

Challenge

"I am *seriously considering* going into the *motor-cycle* field, offering the best technology and craftsmanship available in Britain.

"It would be a challenge to *take on the Japanese motor-*cycling establishment's might."

Lord Hesketh said in his appeal for a sponsor: "In next year's Formula One races we could do the job for £300,000, compared with between £400,000 and £500,000 needed by others.

"If Hesketh has to stop racing, the company's 308C Grand Prix model may be up for sale.

"It cost about £100,000 to build, but I doubt if anyone would pay that much for it."

The second car in the series was near completion, and if a sponsor became available by the end of this week, it could race in Buenos Aires on January 12.

● NEWS ANALYSIS—HOLT PRODUCTS

A merger with sparkle

BY PETER FOSTER

THE merger announced yesterday between Holt Products and Lloyds Industries—two of the better known names in the U.K. motor accessories' field—offers to bring a degree of rationalisa*tion to a market which is both* fragmented and nebulous.

Although most of the emphasis in this area *over* the *last* couple of years has been on petrol and lubricant sales and *the changes* in the garage trade in the wake of an overall contraction of business, the rest of the multi-million pound accessories market seems to have held up well.

Paints, waxes and repair kits tend to be sold through the garage trade, although there is also growing business through retailing group's such as Halfords, Woolworths and ASDA, the northern super*market chain. Apart from well* known names in the wax field, such as Johnson and Simoniz, the market tends to be supplied by myriad small scale producers. However, this combination of two relatively large companies promises to be a genuinely new development in the field.

Although the companies are in the same market and roughly of the same size, they complement one another to a *surprising* degree, giving a good deal of industrial logic to the merger.

Trevor Humphries

Mr. John Parkin, managing director—and "company doctor"—to Holt Products.

Cosmetics

The motor accessories market—comprising "cosmetic" treat*ments such as wax and paint* products as well as repair kits, petrol additives etc.—has been *calculated to be worth* in the region of £300m. a year.

Each company achieved a *turnover in the region of £7m.* in their last full financial year, although Holt, under the con*trol of company doctor John* Parkin, has produced the stronger profits performance *over the past 18 months or so.*

Nevertheless, the companies come together to produce a *much broader product range.* For example, Holt's gap in the petrol additive field is filled by *Lloyd's Redex brand*, while Holt's anti-freeze will provide a completely new area for the *Lloyd's range.*

It is believed that the combined companies as well as becoming the *largest car-care* products organisation in Europe, will rank among the biggest international suppliers in the field.

The field of Do-It-Yourself car repair is not just one that has grown rapidly over the past two years as a result of rocketing motoring costs and new car prices. The trend had estab*lised itself before the oil crisis* of 1973-74 and its impact on motoring costs—as well as escalating new car prices—had made private repairs more of a necessity than a hobby.

Nevertheless, the additional boost which the changed situation in the car market has given to such accessories is obvious from the results which the two companies have produced so far this year.

Lloyds—which manufactures Turtle wax, Flexy brushes, Dupli-Color paints as well as the additives such as Redex and Molyslip—turned in a sales increase of 33 per cent. in the half-year to *September compared with the* same half of last year, while pre-tax profits were up over the *same period from £233,000 to* £370,000.

Apart from a general improve*ment of business in the U.K., this* also resulted from a number of new automotive products, such as aerosol car wax and a new large size panel paint spray.

Flexible

The company has just completed a four-year investment programme at its Winsford factory, which has enabled it to respond with more flexibility to changes in demand in the past aerosol field.

Meanwhile, Holt has produced a remarkably similar performance on the sales front so far this year, with first half turnover up by 33 per cent. to £3.4m. and pretax profits up 30 per cent. to £301,000.

At Board level, the merger seems to be going ahead with the maximum degree of co-*operation since Mr. Parkin,* although he will stay on for the moment, is planning to move to *the Far East in the new year* where he will be looking for new business and retaining contact *with the merged company.* Mr. Tim Heywood of Lloyds, who admits to having looked at the *prospect* of a merger between the two companies for many years, is left in sole charge.

£10m. ICI plan for pvc plant

By Rhys David

THE Plastics division of ICI is planning to extend its PVC works at Runcorn, Cheshire, and increase the annual capacity by 42,000 tonnes.

The new plant, expected to cost up to £10m., will increase ICI's total PVC capacity in the U.K. *to 300,000 tonnes, and will* come on stream at the end of 1977.

Demand for PVC, as *for most* other products of the chemical industry, has been severely depressed by the world recession, but ICI expects to see a resumption of strong demand in the main PVC markets—building and construction, the electrical, automotive and packaging industries—as the economy of Western Europe picks up.

The plant will also be one of the first new units to come on stream since the Health and Safety Executive introduced new *safety precautions covering workers in PVC production.*

The regulations were introduced after it was found that *in certain circumstances workers* could contract a form of liver cancer. They set a limit of ten parts per million of vinyl chloride vapour in the working atmosphere, averaged over a whole shift, and put the ceiling at 30 parts per million at any time.

ICI says that its plant, which will rely heavily on remote control, will be well within the standard with a hope-for weekly average of only two parts per million.

Coggan calls for voluntary pay cuts to finance jobs

BY DONALD MACLEAN

A PLEA for the acceptance of voluntary, progressive cuts in salary to finance renovation of property, increase housing and encourage employment was made last night by Dr. Donald Coggan, the Archbishop of Canterbury, at the Lord Mayor's Banquet, at the City of London Guildhall.

"It is not beyond the wit of man," Dr. Coggan suggested to set going a plan in which "many people earning, say £8,000 per annum would accept a 5 per cent cut, those over £10,000 per annum a 10 per cent. cut, and so on up the scale."

The Archbishop's plea follows *the call to the nation which he* made last month, and which he said last night had elicited "an *extraordinary response from a* cross-section of the public."

'Need to work'

The response had made apparent the longing on the part of the ordinary man to be, or to be seen to be, "more than a 'hand' or a vote or a statistic, a mere cog in a vast machine over which he has no control."

"Unemployment and especially the unemployment of the school-leaver," said Dr. Coggan, "is one of our greatest enemies. Each successive Government addresses itself to the problem and finds the solution elusive. The seriousness of the problem points to the fact that in order to be fully human a man needs to work, to be part of a creative process and to know that he is doing a job that is worthwhile. In the doing of that *job lies a large part of his dig*nity as a person.

"What worse fate can await *an adolescent than to go out into* a world which cannot employ him? No wonder if, feeling unwanted, he lapses into violence and crime. Could not government, central and local, aided by trades unions, colleges, Rotarians and so on, organise an environmental "spring clean" of our cities and countryside and pay the youngsters thus employed a remuneration slightly higher than that which they would receive through public assistance?"

In addition it was generally recognised that "one of the root causes of juvenile delinquency and violence is bad housing."

All the while "there is the Third World knocking at our doors. Constant pressure should be brought for the increase of foreign aid, and especially for the proposed World Agricultural Fund."

A series of "think-tanks" was needed, he suggested, composed of "men and women facing such questions" as those posed above and others, including:

—*the elimination of the bitter* division of feeling which often existed between employers and *employees;*

—the re-gearing of the educational programme to prepare young people for a life no longer dominated by long working hours;

—local organisation for each willing family to "adopt" an old age pensioner, a handicapped neighbour, an immigrant having difficulty with his English language, or a "mother driven almost to baby-bashing by the sheer boredom of her home situation."

A fund of goodwill, Dr. Coggan believed, was "going begging" for lack of local concentrated thinking and planning."

Court told of Fidelity rescue bid

By Stewart Fleming

THE PROSPECT of a rescue scheme for Fidelity Life involving its American parent company was cited in the High Court yesterday as grounds for a *further* postponement of a Department of Trade petition to wind up the company.

The Department moved to put Fidelity Life into liquidation in July of this year. The company *had liabilities* of £10m. and about 13,000 policyholders.

Mr. Peter Millett, representing shareholders opposing the petition and the parent company Fidelity Corporation Inc., of the *U.S.*, said that agreement in principle had been reached on a proposal to inject substantial *further capital into Fidelity Life.*

Time was needed to put the agreement in principle into firm contracts.

Mr. Justice Oliver adjourned the petition for 21 days saying that he would expect to have before him at the resumed hearing detailed evidence of the scheme and the effect of the proposals on the company's solvency.

Guarantee

It is understood that in the next three weeks the Department of Trade will consider the proposals and decide whether they are acceptable or could be made acceptable with some changes. If it is decided that they are not acceptable, the Department *will* expect to continue with the winding-up.

After a hearing last month, *Mr. Harold J. Richards*, president of Fidelity Corporation, said in London that the company in*tended to honour completely* its guarantee to Fidelity Life, a reversal of the stance previously adopted.

When the Department of Trade first moved to liquidate Fidelity Life in July, Fidelity Corporation had maintained that all its obligations towards Fidelity Life had been negated *after the Bank of England's* refusal to include it in its rescue scheme for secondary bank depositors the £1m. which Fidelity Life had deposited with London and County Securities.

AA criticises delay in bringing in improved MoT tests

FINANCIAL TIMES REPORTER

*STRONG CRITICISM of the De*partment of Environment for "delaying" the introduction of an improved MoT test on cars is made to-day in the AA magazine, Drive.

Experts claim that the test could be brought in almost three years earlier than scheduled, October 1979, according to Drive.

On the evidence of recent AA inspections, during the next four years 53 per cent of cars will be running with defective brakes. In that time 10,000 accidents will be caused by hydraulic brake system failures, *according to a calculation by* Mr. Marcus Jacobson, the AA's chief engineer.

Drive *says* that the revised test will mark a significant improvement. But it says that *both the AA and the four in*dependent experts who sat on the six-man Department of Environment working party to amend the Vehicles Testers Manual to meet the provisions *of the new test are worried* about the delay in getting it into action.

"It is their *opinion* that the new test could have been put into force at least by January, 1977."

Drive asserts that after 15 years, the whole MoT testing system and its management is "in virtual disarray and is making a limited contribution to road safety."

The magazine also claims evidence of bribery of some vehicle testing stations. In one *garage, Drive investigators say* that they found that £10 left with the old test certificate in the glove compartment ensured a pass. At another garage an MoT was "part of the deal" for £60 worth of new tyres.

A Devon garage even offered "mail order" MoTs for £25, Drive claims.

Another Drive article says that car rust-proofing systems, which cost between £30 and £60 and claim to give a guarantee against further corrosion, often fail to live up to their promises.

What the rust-proofing companies actually offer and what the customer thinks he is gett*ing can be quite different*, the magazine claims.

The process involves the spray*ing of internal sections and* external underside areas of a car with chemical compounds, *coating metals with a water re*pellent material.

Drive says that properly applied, the method can retard the onset and spread of rust by several years. But bad proofing can actually speed corrosion.

Mr. Jacobson says that if an internal chassis section is about 85 per cent. treated on a vital junction it is often worse than an untreated one—because corrosion concentrates on the odd 15 per cent.

Drive was worried about the quality of application on 15 vehicles *they treated.* While some applications were excellent, justifying their claims, other treatment was skimped and offered no better protection than the factory applied paint.

Aerospace engineers 'lag on pay'

By Michael Donne,
Aerospace Correspondent

THE NEED to improve the *salaries of professional engineers* in the aerospace industry is stressed in a survey produced *by the U.K. Association of* Professional Engineers.

It shows that while the aerospace industry is the third largest foreign currency earner, among exporters, many of its professional engineers are paid less than their counterparts in the scientific and engineering branches of the Civil Service.

*The average salary for a pro*fessional engineer in aerospace is around £4,500 a year, whereas *it is not uncommon* to find much higher salaries in the scientific and engineering branches of the Civil Service.

Disparity

The disparity increases, says the UKAPE, as professional engineers gain experience and move up the grades. "The implication of this for the professional engineer in the industry is that there is little prospect for him *to receive adequate rewards for* the experience he has gained"

Accepting that it could be criticised for making comparisons only with the civil service, the UKAPE says that "other cases, such as the CEGB or oil companies, could also have been cited to demonstrate that aerospace engineers are the poor *relations of the profession.*

Lavastir '76 postponed

LAVASTIR '76, the third international exhibition of machinery, *installations, and equipment for* laundering and dry-cleaning, which was to have been held at *the Milan Trade Fair on January* 23-26, 1976, will now take place between March 19 and 22, also in *Milan.*

Surveyors' president hits 'conflicting legislation'

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

A CYCLE of conflicting legislation by successive governments was causing "gratuitous damage" to *development* and construction, claimed Mr. David Doig yesterday in his presiden*tial address to the Royal In*stitution of Chartered Surveyors.

Mr. Doig blamed panic measures, prompted by the economic recession, and political dogmatism for throwing the construction industry into con*fusion. "Unless there is time for* retrenchment and a restoration of confidence this will continue," he said.

The speech coincides with the release by the RICS of research which shows that since 1973 increased costs have added up to 20 per cent. to fluctuating contracts.

The research, based on the NEDO price adjustment formula, shows that on an 18-month contract let in September, 1973, with a contract sum of £150,000 the client would have to pay nearly £30,000 for increased costs, adding 20 per cent. to the tender price.

The *RICS* concludes that local authorities and other major construction industry clients are *having to set aside a large part* of their yearly budgets to cover increased costs on existing con*tracts.*

Introduction of the £6-a-week pay limit and a slower increase *in material prices may result in* a reduction in the amount of fluctuations that will be payable on new contracts. Even so, the research estimates that an 18-month contract let in September this year will increase by about 10 per cent.

U.S. cigarettes distribution rights for Imps

Financial Times Reporter

IMPERIAL TOBACCO is taking over the British distribution of cigarettes made by R. J. Reynolds, America's largest cigarette manufacturer.

Imperial Tobacco (Imports) will thus become the sole U.K. importer of Camel Filter, Camel Regular and Reyno Menthol Filter as well as Macdonald's Gold Standard Export "A."

Imps, which is taking over the Reynolds' agency from Sullivan Powell, already distributes Kent cigarettes in the U.K. together with the Henri Wintermans range of Dutch cigars and the Belgian cigarettes brand, St. Michel.

You are what you drive.

The motor car started out as a means of transportation and quickly became a means of self-expression.

The Stutz, the Pierce-Arrow, the Model T and Bugatti said as much about their owners as the clothes they wore.

Today, we can all fit cars into certain categories and it's a rare buyer who doesn't take into account what a car stands for as well as what it offers.

At Volvo we've probably worried less about our 'image' than any other car maker and doubtless this has shaped the image we have.

We've never been conformists.

At a time when the motor industry was busying itself with styling we were busying ourselves with safety.

As long ago as 1944, we introduced laminated windscreens as standard on our cars.

In 1959, we were the first manufacturer to fit front seat belts as standard–and from January 1976, we'll be fitting them for rear seat passengers as well.

£5596, excluding walnut.

We've never been flash boys, either. Our cars are not cheap but they've never shouted money.

Even our new 6 cylinder 264 GL has a conspicuous lack of chrome and walnut despite its £5,596 price tag.

But what it may lack in superficial gloss it makes up for in specifications.

We believe it's better equipped than any car in its class.

It has all the features you'd expect to find, including air conditioning, electric windows and a sunshine roof.

Everything is built in to make the driver and his passengers safer and more comfortable. Nothing is tacked on to impress the neighbours.

Evolution not revolution.

As for styling, well, we've never believed in change for change's sake.

There are those who ask why didn't we give the 264 more prestige by giving it an entirely new body?

The reason is simple. The 264 has evolved from one of the most durable and reliable chassis ever built.

In Sweden, the Motor Vehicle Inspection Authority has shown that the average life expectancy for a Volvo is 16.2 years–about one year longer than the next best make of car.

Isn't a man who pays over £5,000 for his car entitled to that kind of continuity?

The Volvo owner.

Obviously, since we've been around since 1927, our kind of cars do have a following.

In fact, we already know quite a lot about Volvo drivers.

We have a disproportionately high percentage of engineers amongst our owners. Academics, lawyers, doctors, farmers, and people who run their own businesses, also figure prominently.

What *kind* of people are they?

We wouldn't presume to say.

But when you make a sane, intelligent car, it's not going to go unnoticed by men of a similar nature.

THE VOLVO 264

For your free copy of "The Volvo Facts" write to: Volvo Concessionaires Ltd, Lancaster Road, Cressex Estate, High Wycombe, Bucks. HP12 3QE. Tel: (0494) 33444.
Export enquiries to: Volvo Concessionaires Ltd, 28 Albemarle Street, London W1X 3FA. Tel: (01) 493 0321.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● METALWORKING

Nickel plating costs halved

AT ANY one time there are up to 1m. gallons of nickel solution in use in British industry. It is significant, therefore, when a company stands up and announces that its new additives can produce savings of over £1 per annum per gallon of solution. This is the claim made by Imasa Silvercrown of Slough for its Coolonic range of organic additives that it will now be manufacturing, a range that has already made its mark in the U.S. within two months of being launched over there by the licensor company, McGean Chemical.

The fundamental advantage of *the new additives is their ability* to permit bright nickel electroplating at temperatures between 35 and 45 deg. C. which is 20 to 25 degrees lower than the conventional process. As a result, the solution employs only half the normal metal content, and only half the energy is required to maintain the working temperature.

Low metal concentration introduces several spin-off benefits. First, a much smaller amount of cash is tied up in the standing solution. Secondly, the amount of metal flowing down the drain when components are rinsed after plating is greatly reduced, with consequent savings on materials and on effluent treatment.

Imasa has produced data sheets showing that for a 1,500-gallon plating bath the combined materials and energy savings could amount to £2,290 per annum, allowing for the fact that the Coolonic additives are approximately 25 per cent. dearer than the conventional type. *The data does not take* into account effluent treatment savings and is based on an assumed loss of 2 per cent. of solution per week caused by "drag-out" when components are removed from the bath. On recent tests carried out for a British manufacturer plating oil heater components that have a big surface area, drag-out loss was found to be nearer 20 per cent.

Imasa is convinced, therefore, that its claims are extremely conservative.

Although the additives work with low temperatures and a low nickel concentration, the plating performance does not differ from the conventional process and there is good "throwing" of deposits into corners and no "burning" *in areas where there* is an electric current build-up. No modification is required to the conventional electroplating plant being used and Imasa provides advice on the means of phasing out former additives and bringing the new ones into use without the need to discard existing nickel solutions.

In Britain, the oil heater manufacturer and also a manufacturer of pocket lighters have had pilot installations employing Coolonic additives that have borne out the rate of savings that have been claimed in the U.S. Imasa, 188 Bath Road, Slough, Bucks. SL1 4DU. Slough 28282.

● PERIPHERALS

Reader for printed characters

SENOSA has developed an interface which allows the OCR wand, manufactured by Recognition Equipment, to read printed numeric characters and record them direct on to a magnetic tape cassette, bypassing *the existing keyboard.*

The Senosa Directdata 16 Portable Data Capture Terminal is a standard production unit, at this stage only a pre-production version of the OCR wand can be shown.

The main differences between the demonstration unit and production units, to be available at the end of 1975, is in the packaging, weight and size of the interface electronics.

The total system, including the Directdata 16, an OCR wand and interface electronics, will be available in unit quantities *for approximately £1,800.* The Directdata 16 may be used in a portable, battery operated mode, independently. The OCR wand and electronics will consist of a table-top module which plugs directly into the Directdata 16 and operates from a 13-amp mains supply.

Senosa is at Coves End Road, Bourne End, Bucks SL8 5AS. (06285) 28083.

● SERVICES

Aid for the users of micros

MOTOROLA has selected Warren Point—the independent automation consultancy and systems house—to provide full systems support for the range of Motorola microprocessors and peripheral products.

In the next few weeks, a Motorola Exerciser unit will be in*stalled at Warren Point's systems* centre in Welwyn, Herts. together with essential software and a cross-assembler for operation on Warren Point's own in-house computer facility.

The main aim of this appoint*ment is to secure the backing of* Warren Point and ensure first-class professional support for users of Motorola devices, from initial design and development to full implementation and after sales support.

The M6800 joins an existing National Semiconductor IMP-16 microprocessor system and will enable Warren Point to supply independent advice and action to a wider range of potential users. Under the existing agreement with National Semiconductor (U.K.), Warren Point continues to be responsible for user *training and support throughout* the U.K.

Motorola, in the meantime, is to hold a microprocessor seminar and teach-in at London's Heathrow Hotel on December 4, 1975.

The seminar will start at 9.30 a.m. *and a series of presen*tations will be given by Motorola microprocessor experts from Britain, Europe and the U.S.

Topics to be covered include descriptions of the M6800 microprocessor unit (MPU) and the systems in the M6800 family, programming with the M6800, application examples, development tools and software aids. A preview of some future products from Motorola's microprocessor development team will also be given. Each presentation will be followed by a short question and answer session and there will be *time allowed after the teach-in* for more general questions and discussion.

Warren Point on Welwyn 5014 and Motorola on 01-902 8836.

Intelligent visual unit

MAKING USE of a microprocessor, the W1625 visual display terminal from Westinghouse combines considerable machine intelligence with the ability to meet specific user needs.

Supplied in this country by Exchange Telegraph Company (Extel), the terminal is designed for expansion up to a storage capacity of five pages, to allow word processing through linked pages, and to provide other manipulation features.

The bus-oriented microprocessor allows, by change or extension of the read-only memories, for code conversions, protocol revisions, and for additional peripheral controls to be readily programmed into the terminal system without changing the *hardware beyond* the addition of modules. The processor allows a number of tasks to be performed almost instantaneously.

The display format is 12 or 24 rows of 80 characters per row on a 12 inch diagonal crt. Character format is a 7 x 5 dot matrix (9 x 5 for lower case). A detachable keyboard with dry reed key switches generates the entire 128 character ASCII set. Extel is at 73 Scrutton Street, London EC2 4PB. (01-739 2041)

● AUTOMATION

Air powers and controls assembly

A SEVEN-STATION, fluidically-controlled, automated assembly machine has been designed and built by two Dorset companies for Crompton Parkinson.

The machine was designed and built by the Bournemouth pre*cision engineers, E.G.P. (Design* and Automation) with fluidic control systems design and built by Hunts Fluid Power, Nuffield Industrial Estate, Old Wareham Road, Fleetsbridge, Poole BH17 7RD (02013 2513).

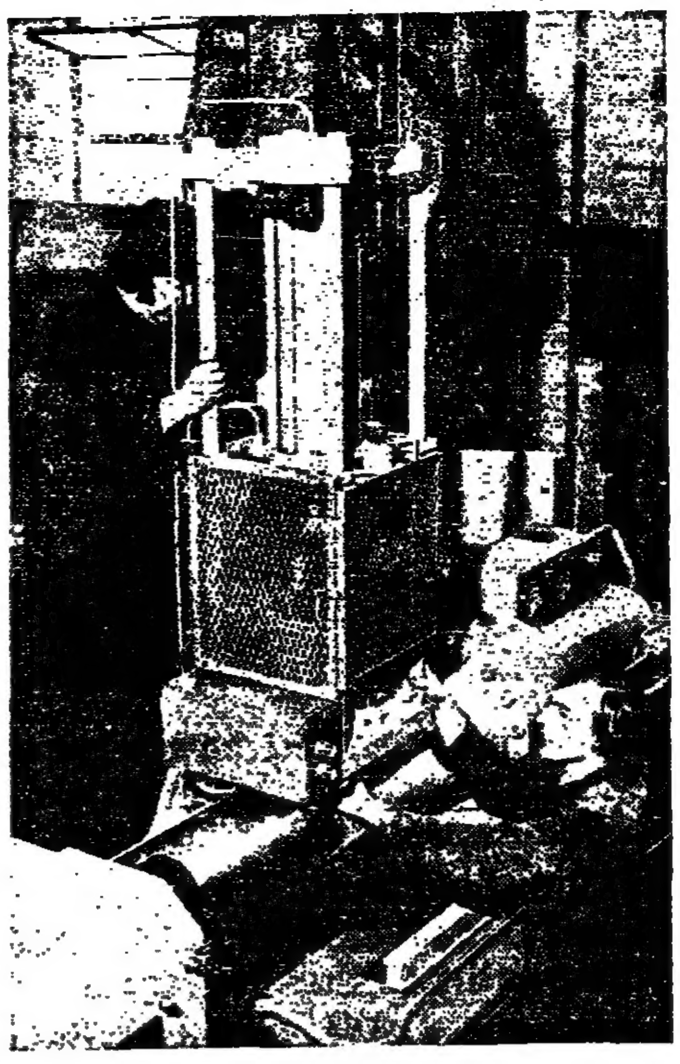
It is used to assemble an electric contact sub-assembly containing six parts. Only one operator is required, and the machine has achieved a substantial increase in productivity, it is claimed.

All components needed for the assembly are dispensed from bulk hoppers into vibrating bowls, where they are orientated, flighted, and presented to the various loading stations for transfer to the assembly.

Assembly takes place at each station with a reserve station for future use. Each station is sequenced fluidically by its own control console. It is possible to operate any station manually to simplify setting-up.

When each station is ready each control console is switched to automatic remote control, and signals the master console. This unit monitors the "state" of each unit and when all are ready, the complete cycle commences. The master control console is fitted with visual indicators to monitor each of the nine assembly functions so that, in the event of a stoppage, fault finding is simplified.

The entire machine is operated by compressed air. The only electric supply required is for the vibratory bowl feeders. The "*muscle*" of the machine is operated at 80 psi with the sensing and fluidic control operating at 10 psi. It contains 92 fluidic modules, which in turn control the sequenced movements of 33 cylinders and one intensifier.



Fitting a hydraulically-powered feed hopper for handling DMC glass-reinforced polyester premix to a "Bipel" thermoset injection machine at the Sutton Coldfield, West Midlands, factory of British Industrial Plastics (Turner and Newall). Applications for DMC materials have widened as a direct result of this equipment becoming *available. It was developed as a joint project between the* engineering and chemicals divisions of BIP and with it small components can be economically produced in multi-impression moulds.

● OFFICE EQUIPMENT

Read-print calculators on the desk

BURROUGHS has expanded its range of electronic calculators with two new series, the C 2400 and the C 2050. The first includes two models, both having electronic display and printing capabilities. They can operate in either display-and-print mode or display-only mode.

The display-only mode offers the advantages of silence, instant readability, and paper economy for random calculations and those applications not requiring a proof tape.

The two models in the C 2400 Series are the C 2436 and C 2456. The C 2456 has nine storage memories (eight more than the C 2436) and can operate in three application modes: accumulating indexed amounts in up to eight different categories; automatically accumulating factors and results, or automatically accumulating debit and credit amounts with a count of each.

Automatic increase or reduction of amounts by a previously stored percentage is also possible.

The lower-priced C 2050 is a replacement for electro-mechanical adding and three-function machines. The C 2050 Series' keyboard layout and key func*tions, its "roll-over" feature* and buffered input for rapid indexing, its automatic decimal point punctuation is add-mode, and its clear, legible audit tape provide the user with the best features of an expensive adding machine.

The C 2050 Series user also gain the advantages of an electronic printing calculator, including multiplication, division, percentage calculation, constant factor calculation, and a complete decimal system.

Burroughs, Heathrow House, Cranford, Hounslow, Middx. TW5 9QL. (01-759 6522.)

● CONSTRUCTION

House frame in a day

A STEEL house frame that four men can erect in a day will be shown for the first time at Interbuild, Olympia, London, November 12-21, on the stand of Metal Sections, a TI company, of Broadwell Works, Oldbury, Warley, West Midlands (021-552 1541).

The North British Housing Association has ordered 40 units for a Borough of Luton housing programme, subject to Department of the Environment *financing approval. The cost of* a frame for an average three-bedroom house should be about £1,000.

Developed by architects Miall Rhys-Davies and Partners in collaboration with Metal Sections, the project was sponsored by Chelverstow, a Leicester steel erecting company.

Supplied in packaged house "sets," the steel frame depends on cold roll formed galvanised steel channels and lightweight lattice beams, made by Metsec. The frame is designed to a 600 mm. structural grid and complies with metic house shell recommendations. The frame sections are bolted together on site to form a rigid structure.

Site preparation requires a 300mm-deep, concrete-filled trench foundation strip, filled with hardcore and topped with 100mm of concrete, to form a site raft with an edge beam which takes the holding-down bolts. Party walls do not need additional support.

Requirements under the Building Regulations are met by the *system, the company says.* The frames have passed sound and the relevant fire tests at Salford University acoustic laboratory and the Fire Research Department of the Building Research Station.

Because the frame a priori complies with the Building Regulations, the company says, it does not intend to seek certification from the Agrément Board or the NHBRC.

● INSTRUMENTS

Hand-held tachometers

ADDED to the Smiths Industries Venture instrumentation range are two digital hand-held tachometers, one using low level frictional coupling and the other no-contact, no-load operation.

Displays can be light emitting diode or liquid crystal, the latter giving long battery life. Other features include automatic ranging, a battery condition indicator, and an automatic *cut-out so that* the unit cannot be accidentally left switched on.

The friction models HT330 (LED) and HT340 (LC) have a measurement range of zero to 19,999 rev/min. and are supplied with male and female attachments. The design uses the principle of counting light pulses through a revolving slit disc which gives 60 pulses/rev. The light source is an LED and pulses are sensed by a phototransistor and converted to rpm with an accuracy of ±1 rpm.

Optical models 430 and 440 make use of reflecting tape stuck to the rotating body and can measure between 100 and 9,999 rpm. They are used where it is not possible to make physical contact.

The units operate from four 1.5V pen-type batteries and are supplied in a carrying case. Smiths Industries, Waterloo Road, Cricklewood, London NW2 7UR (01-452 3333).

● SOFTWARE

Towards the biggest EEC group

FOUR European software and systems houses, already operating in Benelux, France, Germany, Italy and the United Kingdom, and employing over 550 technical staff in 12 offices, are pooling their resources to provide services to the European market.

The agreement provides for the exchange of know-how (including products) between the companies and for combined approaches to selected European institutions (including the European Commission) and to multinational companies.

The four companies are Triad Computing Systems of London in which British Oxygen has a 40 per cent. stake; ADV/Orga F.A. Meyer Germany; Centi S.A. France and; Praxis Calcolo, Italy.

Each will own 25 per cent. of a Brussels-based software company (formed by Centi S.A. in 1965) which has already carried out a number of contracts for the European commission. This company will be renamed Centi-Europe.

Existing contractual commitments of all five companies will continue unchanged and ser[...] in each participating cou[...] will continue to be provided [...] the appropriate country [...]pany. New contracts for m[...] national working will be car[...] out in the name of Centi-Eur[...] which will draw upon [...] relevant skills of each particip[...]

At the moment, the [...] organisation is "only [...] mechanism," according to [...] Hardcastle, head of Triad. [...] in about two years time, [...] group—on paper number [...] in Europe—would become [...] significant factor, particularly [...] work for the EEC.

British Oxygen, through wh[...] the get-together became possi[...] was "extremely pleased" at [...] outcome. It gives the lar[...] U.K. computer bureau [...] latter) a link with a potenti[...] formidable partner in Europ[...] software.

● MATERIALS

Aluminium feed cable jointing

PROBLEMS resulting from the use of solid aluminium conductors for consumer electricity supply from medium voltage include increased thermal movement and the susceptibility to corrosion of the aluminium (as compared to stranded copper).

Resulting reappraisal of jointing techniques at the Electricity Council Research Centre, Capenhurst, has yielded a system developed in conjunction with Chloride Lorival and Wettern Composites, to be made commercially available by the latter.

The system uses a semi-fluid compound, Epelec 2, cold injected into a strong composites box assembly using a simple re-usable hand gun. The fluid is described by the company as being like "a thick cart grease with the adhesive properties of a black mastic sealant." It is both thixotropic and viscostatic, flowing only under pressure and not changing its viscous properties with temperature.

Epelec 2 is claimed to offer a balance between the [...] material cost of bitumen and [...] low labour costs of ther[...] setting plastics, and is basic[...] a depolymerised rubber [...] mineral oils to provide [...] needed electrical properties, [...] fillers.

In comparison with bitume[...] has superior dielectric pro[...]ties, better consistency [...] stronger adhesion at all [...] operating temperatures. Air c[...] not get to the aluminium [...] faces to enhance corrosion. [...] compound contains no [...] irritants or harmful volatile [...]tions. Unlike thermosetting c[...]pounds, it is claimed to have [...] indefinite shelf life. In additi[...] a joint can be easily re-ente[...] to make previously unused c[...]nections.

Significance of the sys[...] from the business standpoint [...] be gauged by the fact that [...] connection of every dome[...] consumer to the medium vol[...] distribution network involve[...] joint, creating a U.K. ma[...] demand for ½m. units a y[...] exclusive of industrial and c[...]mercial consumption.

Overseas Wettern will in [...] course licence manufacture [...] demand in the first instance [...] be met by direct export. [...] from the company at [...] Road, Rhyl, Clwyd LL18 [...] (0745 31603).

● LUBRICATION

Lubricant gives heat after use

FOLLOWING the news that crude oil prices are to rise a further 10 per cent. and the deterioration in sterling exchange rates, oil companies are already applying to the Price Commission for price rises.

Heating and Air Treatment (Iver) believes that to recycle waste lubricating oil and to use it for heating purposes, makes even more economic sense now than ever before. They have designed and developed an inexpensive system for refining waste oil and blending it with conventional heating fuels for use in space heating or proc[...] heating equipment.

Freeheat 1 system provides [...] waste oil to be refined, blen[...] filtered and metered in a th[...] stage operation all combined [...] a compact unit for wall or [...] mounting. A matched purp[...] built blended oil burner [...] *available if required;* or [...] existing heating system can [...] adapted by a comprehensi[...] range of burner conversion ki[...] Installation is simple [...] requires very little on-site ti[...]

The high cost of heati[...] garages and factories need [...] *longer be a problem.* Wh[...] there are adequate supplies [...] waste lubricating oil, this c[...] now be re-used, saving, in ma[...] cases, up to 50 per cent. of hea[...]ing costs.

Heating and Air Treatme[...] (Iver), 46, West Stre[...] Chichester, West Sussex PO[...] 1RP. Chichester 86402.

● ELECTRONICS

Move into temperature control

TEMPATRON of Reading, a company that has specialised in electronic timers, has introduced the *Minitherm series of solid-*state temperature controllers.

Designed as a low cost alternative to liquid-filled capillary systems, thermostats, energy regulators, contact thermometers and other established devices, the new units are claimed to show *a much higher level of reliability* and accuracy as a result of the integrated circuits used and their built-in interference rejectio[...] circuits.

Features include almost co[...]plete freedom from drift, ev[...] under large mains voltage var[...]tions and big swings in ambie[...] temperature—typical industri[...] hazards. There are eig[...] temperature ranges betwe[...] −400 and +1600 degrees [...] automatic cold-junction compe[...]sation, full fail-safe protection, [...] *set point repeatability* of 0.5 pe[...] cent. of span, and an outpu[...] switching capacity of 1.2 kW.

The units are available in [...] 96 x 96mm DIN case wit[...] optional front panel direct rea[...]ing temperature deviation mete[...] or as an 85 x 62 x 44mm plug-[...] model with a temperature [...] setting dial mounted on the cas[...] More on 0734 583033.

HOME NEWS

Travel agents' commission talks delay air fare pact

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE FUTURE LEVEL of com-nissions paid by international irlines to travel agents is still n doubt.

Talks on this issue among the nember-airlines of the Inter-iational Air Transport Associa-ion at Cannes are proving lifficult and taking longer than xpected, with the result that alks on other issues, such as uture fares levels for some najor routes, including the North Atlantic, are being held ip.

At present commissions on scheduled-service ticket sales 'ary between 7 and 7½ per cent., ccording to area, with some ncentives for other types of usiness, such as inclusive-tour ackage holiday sales.

llegal trade

The airlines have recognised he need to raise this level, both o recompense agents at a time f rising costs and to stamp out he growth of "bucket-shop" or llegal ticket sales which are raining the scheduled airlines f well over £100m. revenue nnually.

They are trying accordingly to each agreement on a new com-nissions structure that would pay nost agents a minimum of 8 per ent., with special "incentive bonuses" for additional business.

The matter has been argued for some time at Cannes, but the talks were adjourned late last week to enable airline represen-tatives to go home to discuss the situation with their head offices.

A new session starts to-day, with the hope that some break-through can be achieved.

The airlines have so far devoted little attention to other aspects of the situation, such as fares for the North Atlantic from April 1, including London-New York Concorde fares and the pro-posed cheap tour-basing fare.

With South Atlantic Concorde fares already fixed at first-class plus 20 per cent., there seems little doubt that the North Atlantic and other Concorde routes, such as Bahrain, will also be settled at the 20 per cent. sur-charge level.

The tour-basing fare may be more difficult. Broadly, it is aimed at giving the scheduled airlines an ultra-cheap rate to offer tour operators, competing with the cheap charter rates available on the North Atlantic next year, called "one-stop inclusive tour charters" (or OTCs).

These will be available only from the U.S. to Europe, and are likely to be the cheapest rates prevailing on the route, prob-ably even undercutting the present advanced booking charter and advanced purchase excursion return fares.

For this reason, the scheduled airlines are anxious to get a com-petitive new fare of their own, but have so far not been able to discuss it in detail because of the time that the commissions issue is taking.

The Department of Trade is to discuss the situation with other European Governments in Paris next week at a meeting of the European Civil Aviation Conference (ECAC), in the hope of reaching a European con-sensus with which to confront the U.S.

Fewer sold

Their task would be made easier, however, if the airlines themselves could achieve some measure of agreement on these issues, but at present this looks just as unlikely as the chance of agreement at Government levels.

The U.K. in particular is known to feel that there is still too much capacity on the North Atlantic route. IATA figures show that in the first seven months of this year the scheduled airlines collectively offered 8.7m. seats (5.2 per cent. fewer than a year earlier), but sold only 4.8m. of them (8.9 per cent. less).

This appears to confirm the U.K.'s view that further strong action to reduce capacity should be taken.

Terry Kirk

Mr. Elliott Richardson, the U.S. Ambassador, yesterday opened an exhibition of American Printing and Graphic Arts at the U.S. Trade Center in London. Seated at the GSP 40 computerised video typesetter, he was briefed by Mr. Roy Higginbotham, president of Datatype Corporation.

Carpet sales under pressure

BY RHYS DAVID

CARPET SALES by volume will increase by just over 3 per cent. a year in the period 1975-80—just over half the growth rate in the five years 1969-74—according to a forecast by independent analysts, Staniland Hall Associates.

They put the total size of the market in 1975 at 157m. square metres, roughly the same as last year, falling possibly to 153m. square metres next year. This though, could be followed by rises to 163m. square metres in 1977 and to 178m. square metres in 1978.

The report claims that in the year ahead, other types of floor-covering could increase their attractiveness to domestic users as a result of the decline in con-sumer spending power.

In the domestic market the report forecasts that tufted carpets will account for 82m. square metres out of a total of 107m. square metres of sales by 1980, with woven carpets accounting for only 16m. square metres and other types of con-struction 9m. square metres. In 1974 the comparable figures are estimated as tufted 66m. square metres, woven 24m. square metres and other constructions 7m. square metres.

A similar trend is forecast in the contract market.

The Carpet Industry 1975-1980. Staniland Hall Asso-ciates, 1A Camden Walk, N.1. £35.

SDN workers issue 'give-away' edition

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EMPLOYEES of the Scottish Daily News—which officially ceased publication in Glasgow on Saturday—yesterday began their attempt to keep the name of the newspaper alive by issuing a small "give-away" edition.

The workers, whose Govern-ment-backed co-operative is in liquidation owing over £2.5m., produced a four-page tabloid. It was distributed without a pub-lished price, but in return for donations of 5p or more a copy.

The employees are occupying the printing premises in Glasgow in an effort to prevent them from being sold for any purpose other than newspaper publica-tion.

The special edition was distributed by members of the 500 workers of the Scottish Daily News at factory gates in the Glasgow area. They hope to raise circulation from 8,000 to 10,000 in the next few days.

The newspaper is being printed by an outside litho-grapher because the workers have been warned against using the Scottish Daily News presses, which no longer have an insurance cover. It contains three pages of news and one of sport, and is financed by the workers' appeal fund, said to amount to more than £4,000.

Mr. James Whitton, the news-paper's provisional liquidator, is expected to be appointed ordinary liquidator this week, when he will begin negotiations to dispose of the company's assets.

Maxwell's plans

Mr. Robert Maxwell, owner of Pergamon Press, and the former chief executive of the Scottish newspaper, plans to explain to the workers to-day his plans for buying the plant and premises and for launching a Glasgow evening newspaper.

● A call for an emergency debate on the liquidation of the Scottish Daily News was rejected in the Commons yesterday by Mr. Selwyn Lloyd, the Speaker.

Mrs. Margaret Bain (SNP, Dunbartonshire E.) said that it was vital and urgent that there should be a debate on the loss of more than 500 jobs and the closure of a major newspaper.

Mr. Lloyd said that a debate would disrupt other important business.

More Home News on Pages 28 and 30

CHRISTMAS

Last recommended posting dates for mail to reach all European countries, North Africa and the Soviet Union in time for Christmas are November 17 for surface parcels and packets and November 19 for surface letters, the Post Office said yesterday.

Forties petrol on sale from next Monday

BY RAY DAFTER

'HE FIRST oil from BP's North ea Forties Field was pumped ito the group's Scottish refinery t Grangemouth yesterday and is anticipated that the first 'orties-fed petrol will be sold on londay.

The North Sea crude, which is high quality, light gravity oil ith a low sulphur content, is eing blended with imported rude, mostly heavier oil from he Middle East.

BP said that the Forties com-onent alone should be sufficient y the end of the year to fuel 00,000 cars on the basis that the average car consumed one ton of petrol a year.

The first "Forties petrol" deliveries will be made in the Lowlands of Scotland and it is expected that the initial supply will be pumped from a petrol station near the Grangemouth refinery in the Edinburgh area.

The Forties Field is producing at the rate of 40,000 barrels a day, rising to 100,000 early next year and between 200,000 and 250,000 by the end of next year. Even the initial flow of oil this year should be enough to meet about 2.5 per cent. of Britain's annual oil consumption.

Arabs seek impressive farms

BY OUR PROPERTY CORRESPONDENT

'HE ARABS, having invested in he London and country resi-ential property markets, are ooking for agricultural land, laims Hampton and Sons, a London estate agent.

Five Middle Eastern buyers, each with £1m. available, were seeking easily manageable farms of about 500 acres, Hampton said. It was essential that the properties included impressive country houses.

David Fishlock examines South African uranium and coal enrichment projects and assesses the significance of the country's progress

South Africa's two bids for more power

THE WINDSWEPT highway north of Johannesburg is rimmed with windmills, generating power for isolated homesteads with names like Brooklands and Blair Athol. Incongruously, away in the hilly wilderness stalks a tall concrete column. This is the chimney of the "Mini-Z," the prototype uranium enrichment unit in which will be tried the technology that may yet make South Africa a nuclear power.

A hundred miles away to the south-east the site is being cleared for another kind of enrichment process, this time for coal. The South African Government has already authorised construction of a mammoth factory that will refine 14m. tonnes of coal annually — one-fifth of the nation's present production — to make more than 25 per cent. of its petrol.

The investment required for each of these fuel enrichment processes is of the same order, about £600m. (excluding, in the case of uranium, the need for 2,000 MW of electrical power, and, in the case of coal, the need for a new town near the factory). Both processes, too, have their "father figures:" Dr. Pierre Rousseau for coal and Dr. Ampie Roux for uranium. Each was in right at the start.

First details

At a nuclear conference in Paris last spring Dr. Roux, president of South Africa's Atomic Energy Board, disclosed the first details of the uranium enrichment process — the one his Prime Minister, nearly five years earlier, had claimed to be "unique in concept." The claim was publicly challenged in Paris, however, by Dr. Roux's West German collaborator, Professor Erwin Becker, who said that his own and the South African processes were the same insofar as both were based on the high-performance stationary-walled centrifuge. "But that does not mean all the details are the same," conceded Professor Becker.

South African businessmen and industrialists are intensely interested in their Government's claims for the process. This is not surprising when one considers that the 234 companies whose services were recruited in building the pilot plant now operating at Velindaba include almost everyone who is anyone in South African manufacturing industry.

Their interest has been further whetted by West German allegations that their "nuclear secrets" had been stolen, and by confirmation of clandestine negotiations between the two nations.

Yet there remains a deep vein of scepticism among South Africans. This, too, is not surprising, when the Government remains so tight-lipped about its intentions—the name Valindaba means "we do not talk about this at all"—while its technical adviser, Dr. Roux himself, is credited as co-inventor of the process and thus can scarcely be called a dispassionate adviser. Neither is the credibility of its claims helped by such assertions as that of Mr. Owen Horwood, Minister of Finance, made at an investment conference in Johannesburg recently, that the process is "the most economic in the world."

Qualification

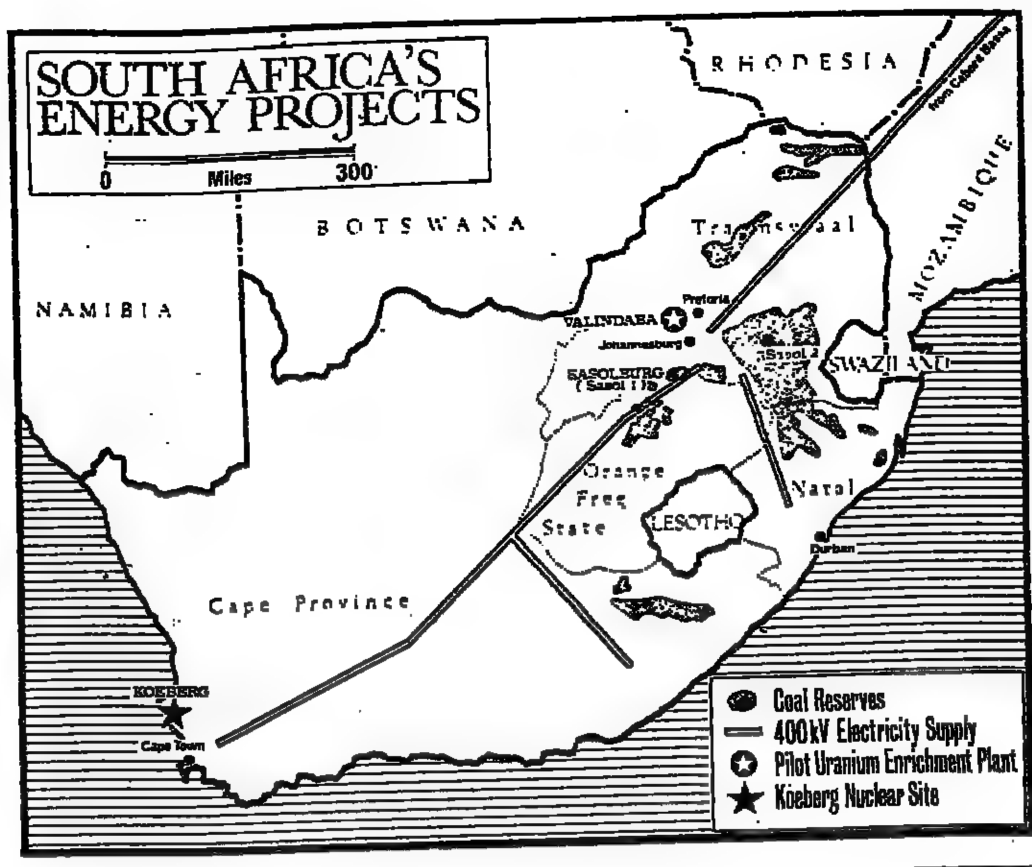
To give the atomic energy officials credit, they add the all-important qualification—"economic under South African conditions." They believe that they have developed a process which not only works but can be engineered out of cheaper materials (mainly mild steel) than other enrichment routes need, which can be executed by local industry, and which — although energy-hungry — in South Africa will be driven by some of the cheapest electricity available anywhere in the world.

Just how much of their science and technology was acquired from West Germany will probably never be known for, as Professor Becker has said, they have enjoyed free access to his research at Karlsruhe since the early 1960s, although he has had no reciprocal access to the work of the Atomic Energy Board. But no one can doubt any longer that they have advanced the "stationary-walled centrifuge" process in some very ingenious ways.

Pride in native ingenuity, however, is scarcely enough to justify an investment of about £600m. to turn the process into a full-scale commercial enrichment factory. There are, perhaps, three other possible factors to consider.

First, the Government wants to become a nuclear power, whether for reasons of national security or simply to command more respect and attention in world councils. But this it could do less expensively and less obstrusively—as India has done — simply by ordering nuclear reactors and refining their plutonium by-product to make nuclear explosives. The twin 1,000 MW nuclear stations it plans to order for Koeberg, near Cape Town, early next year could yield nuclear explosive almost as quickly as a big enrichment factory.

Dr. Ampie Roux, President of South Africa's Atomic Energy Board and "father" of the uranium project.



Fuel

Second, the Government wants to safeguard indigenous supplies of enriched nuclear fuel for its own nuclear power programme. Superficially, this makes more sense, except that the planned growth of nuclear power in an economy so rich in coal is much too slow to justify such an investment. Only the Cape Town region, 1,000 miles from the coalfields, can make an economic case to-day for nuclear power. Even by the end of the century the nation expects barely 20 per cent. of its electricity to be generated by nuclear power.

The third and most persuasive reason is that South Africa wants to get into the international nuclear fuel business. As one of the world's major uranium sources, it wants to be able to add to its value. Enrichment would at least double the value of the ore concentrate ("yellowcake") it exports to-day, and could open the way to fabricated nuclear fuel at perhaps three times the value.

South Africa has already been forced by economic circumstances to make a choice between two promising routes to nuclear development pioneered by Dr. Roux. In the 1960s his Atomic Energy Board worked on its own design of natural uranium reactor, called Pelinduna, which to an extent resembled Britain's "steamer" reactor except that it was cooled by liquid sodium metal.

By the late 1960s Pelinduna had reached the stage of requiring a large-scale demonstration. At this point came the "breakthrough" in South African uranium enrichment, with the demonstration of a promising separative element. To proceed with both would have over-stretched the country's skilled manpower and technical resources. Dr. Jean-Pierre Hugo, deputy president of the Atomic Energy Board, puts the choice thus: "Reactors you could buy off the shelf—enrichment you couldn't."

Decision

In 1972 the scale of the enrichment project warranted the setting up of a new State-owned company, the Uranium Enrichment Corporation (UCOR), again headed by Dr. Roux, with the task of orchestrating a broad swathe of South African industry. The Atomic Energy Board continued to carry out research—still kept very secret—on the process itself and on the technology needed to convert ore concentrate into the highly corrosive gas uranium hexa-fluoride ("hex") on which the enrichment factory will feed.

How close, then, is the South African Government to a decision to invest in a commercial-scale enrichment factory? Earlier this year Dr. Roux was forecasting "the end of the summer" but nothing has been announced. However, Nufcor, the nuclear fuel company through which South African uranium is marketed worldwide, has included a clause in its latest contracts which gives South Africa the option of supplying enriched uranium provided the cost is competitive.

Yet critics point out that the crucial "Mini-Z" demonstration at Valindaba is not yet installed, let alone working. It is crucial, they say, because it differs in so many fundamental respects from the pilot-plant UCOR is already operating. For example, it is very much bigger, built of steel (which corrodes) instead of aluminium, and is designed to operate under pressure instead of under a vacuum.

The contrast with Sasol 2, Dr. Rousseau's coal enrichment project, is all too starkly clear. The South African Coal, Oil and Gas Corporation (Sasol), like UCOR a wholly State-owned company, has been struggling with the "enrichment" of coal for the past 25 years. To quote Dr. Rousseau, Sasol's chairman, from 1955 when the company produced its first oil from coal "for a period of five years we had more trouble on the plant than any other undertaking I have ever heard of. But we persevered, survived and ultimately turned the wild beast into a purring cat which still scratches now and again when it is not circumspectly handled."

The cat scratched again last spring when an explosion at Sasolburg killed seven employees. But Dr. Rousseau has just been able to announce "the best financial results in the history of your corporation." Every petrol station in the Southern Transvaal and the Orange Free State has a pump selling Sasol—"the petrol for clean-living engines."

By the mid-1960s, Sasol believed it had the beast tamed to a degree that warranted a much bigger oil-from-coal operation than its Sasol 1 plant. But with oil prices steady and capital costs rising, the economic case just could not be sustained, even though it had been the Government's intention to build, for strategic reasons, several plants of the size of Sasol 1.

Stockpile

Instead, Sasol recommended that the Government should stockpile oil and store it in worked-out coal mines in the East Transvaal, using a water seal to avoid waste by leakage. It turned out to be one of the best investments the State could have made, and Sasol itself helps to administer it.

Nonetheless, the surge in OPEC's prices in October, 1973, also enhanced the economic attractions of coal conversion. Saso began to plan a big factory for manufacturing petrol, the feedstock for which would be 40,000 tons of coal a day delivered directly from a highly automated mine, part of an integrated mine-factory complex.

The nub of its scheme was to take the best of the technologies already proven in Sasol 1 and scale them up for a factory making ten times as much petrol. Sasol freely acknowledges that its technology originated in Germany, though it firmly believes it has brought it to a pitch more advanced than anywhere else in the world. It strongly rejects criticism that it might have been more adventurous; that by waiting another year or two it could have adopted an economically more attractive process. It would have been nearer 10 years, believes Mr. J. A. Stegmann, Sasol's general manager, while inflation is rapidly eroding any economic advantage of the new technology.

Strategy

Sasol has also been very cautious in its political strategy as well as its technological tactics. Instead of energetically promoting its plans for Sasol 2 it simply presented the plans to the Government for independent appraisal. Last December, with only minor modifications, the Government told Sasol to go ahead.

The estimated cost (February, 1974, prices) is £590m. The cash will be raised mainly by a levy, imposed in March, of 1 to 2 cents per litre on all oil products, and by Parliamentary appropriations and from credits on imports of goods and services.

As for the economics of large-scale oil-from-coal operations, Dr. A. H. Stander, project manager for Sasol 2, estimates that the real cost of its output will be around 25 per cent. higher than that from a refinery with the same product pattern as Sasol 2 but fed from a difficult offshore oil source.

Whether UCOR can make an economic case for uranium enrichment anywhere near as convincing as Sasol has managed, is far from clear. So tight are restrictions on discussing the process that no-one could conduct an independent appraisal, and the Government is wholly dependent on the advice of its nuclear experts.

The most convincing evidence that could be produced that South African enrichment really makes sound business sense would be for a foreign company or country to invest its own cash, on terms that made it clear the liaison was for commercial and not military reasons. The South Africans now fear that their most promising prospect, the German energy industries group STEAG—part-owned by the West German Government—may have been scared off by the recent rumpus involving the Bonn administration.

LABOUR NEWS

Rolls shop stewards drop claim for £15 rises

BY LORELIES OLSLAGER, LABOUR STAFF

HOP STEWARDS at Rolls-oyce (1971) aero engine ctories in Scotland have opped their claim for rises up to £15 a week for about 000 manual workers, but are allenging the Government's ages policy from a different rection.

They say that they do not cept the Government's inter-etation that increased over-me and shift earnings result-g from two forthcoming creases in the nationally reed minimum wage in the gineering industry must be unted towards the £6-a-week aximum permissible rise.

Rolls-Royce, answering the original claim for rises of up to £15 a week, offered a flat rate £6-a-week if the stewards agreed to defer the increased overtime and shift earnings until the policy expired in August.

The company decided on this course because an offsetting arrangement would be extremely difficult to calculate and implement.

While the stewards were ready to abandon the original claim, they failed to agree on the overtime and shift issue and have asked full-time officials of the AEUW to join them in further negotiations with the company.

They claim that individual workers could lose up to £3 a week if their overtime and shift rates were not improved under the national agreement. The agreement was concluded well before the new counter-inflation policy came into force and that its provisions, therefore, should not be affected.

An offsetting agreement was concluded at Rolls-Royce's Bristol factories without difficulties, but workers there do not work much overtime and 22p a week was deducted from the £6 rise.

Doctors' action may shut hospital casualty units

BY OUR LABOUR STAFF

NIOR DOCTORS at 31 hos-als in the North-West began rking a 40-hour week yester-. Several casualty depart-nts may have to close at night, l admissions are likely to be tricted

The protest action came after eral weeks in which the junior tors refused to treat any but ergency cases in support of ir claim for better overtime .

Junior doctors in the North-st are the most militant group Britain, and there are no indi-ions that their latest action l be followed on a large scale ewhere before the outcome of the national ballot on industrial action is known in about a week's time.

At nine North-Western hospitals junior doctors worked only from 9 a.m. to 5 p.m. to-day, and then left emergency cover to consultants. At 22 others they began working a 40-hour week on a shift basis. At five of the region's major hospitals the junior doctors are continuing to treat emergency cases only.

Several local health authorities are said to have asked general practitioners to help with emergency cover at night, but it was not certain whether there would be a response.

Rover strike to continue 'for a week'

THE FORTNIGHT-old strike of car workers crippling the Rover plant at Solihull, West Midlands, is to continue for at least another week.

A meeting of 1,000 assembly workers yesterday agreed to continue the stoppage.

The strike started over the men's objection to the use of industrial engineers—time and motion study men—without previous consultation.

At the Perry Barr works in Birmingham, which supplies axles for the strike-hit saloon lines at Solihull, 380 men have stopped work in support of the Solihull strikers.

Textile workers strike unofficially over £6 demand

BY OUR LABOUR STAFF

SEVERAL HUNDRED textile workers in Wales and on Merseyside have gone on strike in one of the first outbreaks of industrial action over claims for the full £6-a-week pay rise allowed under the Government's counter inflation policy.

The strikers, mostly women workers at Courtauld factories, belong to the National Union of Tailors and Garment Workers, and have been offered rises from £3.60 a week.

About 400 women at Courtauld's Kayser Bonder lingerie factory at Merthyr Tydfil, Glamorgan, have been picketing to prevent the company transferring work to another plant.

Union leaders have promised to consider official backing for "selective" industrial action in support of claims for the full £6, but so far the strikes are unofficial.

The union will hold a meeting of its divisional officers next week to discuss the situation, and no strike will be made official before there has been a ballot, according to Mr. Jack Macgovgan, the general secretary.

The union is negotiating with several dressmaking and corsetry companies after national talks for the garment industry failed to produce the full £6-a-week rise.

Mr. Michael Foot, the Secretary for Employment, has turned down a request from the union for an inquiry into pay in the garment industry. Mr. Macgovgan said that Mr. Foot had argued that an inquiry would serve no useful purpose at the moment.

British Museum warders ban overtime to-day

BRITISH MUSEUM warders—members of the Civil Service Union—have decided on a 24-hour "token" overtime ban from 10 a.m. to-day.

The union said that the ban was expected to affect a Royal Society of Arts function to be attended by Prince Philip to-night.

The British Museum warders' action follows what they described as an "outstandingly successful" mass meeting of about 4,500 members of the union in the Central Hall, Westminster, on Friday.

Union leaders yesterday discussed plans for further industrial action designed to disrupt work at Government departments, the docks and Heathrow Airport in protest over plans by the Civil Service Department to cut their overtime pay. Their action will also affect London traffic.

The plans will now be discussed at branch meetings, but a spokesman for the CSU was confident that further action would be taken by early next week at the latest.

Timber company strike ends

A WEEK-LONG strike at E. J. Nicholls, timber merchants, of Stafford Road, Wolverhampton, ended yesterday when the two sides agreed to go to arbitration.

Nine white-collar workers walked out after their shop steward had been made redundant. The steward is to be suspended on full pay until a decision is made.

Container Base disputes drag on

By Our Labour Correspondent

TOP LEVEL negotiations yesterday failed to resolve disputes which have halted Container Bases's Birmingham depot for the last 13 weeks and which, according to the management, could result in its permanent closure.

Little progress was made when the management met national officials of the Transport and General Workers Union in London. Talks are to resume next week—by which time the dispute will have cost the company about £160,000 in lost revenue.

The main point at issue is the prolonged "blacking" by the 70 TGWU members employed as freighthandlers of vehicles driven by non-TGWU drivers.

A secondary dispute is over the management's insistence that the depot workers should carry identity cards, a move designed to cut pilferage at the depot, where goods worth an estimated £25,000 were stolen last year.

Yesterday's negotiations involved Mr. Alan Law, the TGWU commercial trade group secretary for the Midlands, and Mr. Ken Jackson, the union's national commercial group secretary.

Unemployed offered up to £1,000 towards re-housing

FINANCIAL TIMES REPORTER

Rehousing grants of up to £1,000 are to be offered by the Government to encourage unemployed people to move to where there are jobs.

Other incentives in a package announced yesterday include increased allowances for fares and overnight subsistence to those going to job interviews. The allowances have been almost doubled in some cases.

The grants will be dispensed by the Employment Service Agency, part of the Government-sponsored Manpower Services Commission.

There are two schemes, both of which will be handled by the agency's network of Jobcentres and employment offices. They are designed mainly to help unemployed people in assisted areas. One is the job search scheme; the other is the employment transfer scheme.

Job seekers will be given fare allowances of up to £5 for speculative job hunting (former rate: £2.40). They will also be able to claim £5 subsistence allowance for the first night away from home and £3.50 a night thereafter (former rates: £2.40 and £1.70).

The settling-in grant under the transfer scheme has been almost doubled from £7.84 to £15. The disturbance allowance goes up from £2.50 a week to £12 a week for the first three months and £6 a week for the next nine months.

Re-housing grants, for transfers from assisted and non-assisted areas also go up. Transfers from assited area rie from £400 to £500.

Workers with at least one child under school leaving age, transferring from assisted areas and buying a house for the first time will be eligible for a grant of £1,000.

The Employment Service Agency said yesterday that the increases and new grant were designed to encourage unemployed people to move. The old rates had become slightly unrealistic because of inflation.

A paid employment scheme for the 1,700 jobless teenagers in Coventry was announced yesterday. Coventry Council, employers and unions will run the scheme, which is independent of the Manpower Services Commission's projects.

Farmers upset by call for £6

BY OUR LABOUR STAFF

FARMERS' leaders hit out yesterday at the findings of a survey, published by the Low Pay Unit, which called for the £6 a week increases allowable under the Government's wages policy to be granted to agricultural workers.

The National Farmers' Union said: "We would question the valadity of this report both from the point of view of the small size of the sample involved—110 workers—and from the method of obtaining this information.

"It is quite obvious that those volunteering information in response to a broadcast—as happened in this case—will, in the main, be those who hold a particularly strong viewpoint because of some grievance and, therefore, will not be typical of a workforce of some 400,000 full-time and part-time.

"The Ministry of Agriculture's own survey of 1 per cent. random sample is clearly a more reliable indication of actual wages paid, with an average of £38.80 for the period July, 1974, to June, 1975, and £42.94 for the period April to June, 1975. Overtime worked in each case was just over an hour a day."

The NFU meanwhile, was in negotiation with the union through the Agricultural Wages Board on the latest round of wage awards.

Chrysler MPs believe limited State aid likely for company

BY PHILIP RAWSTORNE

IERE WAS no suggestion that Government had decided to unt a full-scale rescue opera-n for Chrysler when Mr. Eric rley, the Industry Secretary, t night met a group of Labour 's representing constituencies ntaining Chrysler plants.

The MPs gained the impres-n that the Government had t made a final decision, but weight of considerations ing taken into account sug-sted that the Government was ely to give the company only ited aid.

Mr. Leslie Huckfield, MP for neaton, said that Mr. Varley told the deputation that he was studying the recent reports by the Commons select committee and the Cabinet's "think tank," which dealt with over-capacity in the car industry.

He was also considering the possible effects any solution to Chrysler's difficulties might have on British Leyland as well as the impact it would have on Chrysler dealers and the company's Iranian contract.

Mr. Huckfield said that the MPs, emphasising their concern about hte threat to employment, had pressed Mr. Varley for an early decision, while urging him to adopt a tough bargaining position with Mr. Riccardo, chairman of Chrysler Corporation.

Any suggestion that Chrysler could service the British market with French Simca cars should be countered by a Government refusal to allow such imports into the country, they said.

Mr. Varley, who had repeatedly stressed the dilemma which the issue posed for the Government, was also urged by the MPs to ensure that, if Government money was injected into the company, it should ensure far better control over it than had been the case in 1967.

Joseph angers Labour with criticism of U.K.

BY JOHN BOURNE, LOBBY EDITOR

ME MINISTERS and Labour 's reacted strongly, last night, ainst a statement made in a S. newspaper by Sir Keith seph—a leading member of Opposition "shadow" binet—that Britain was slip-ng into "Socialist slumdom."

The statement, in an interview the New York Times, was companied by a warning to nericans that Britain was ing destroyed from inside by eas "mischievous, wrong-aded, debilitating, yet because ey are fashionable and promise so much on the cheap."

Sir Keith said he was nervous about making his remarks. "I don't like splashing mud on my country abroad."

It is this last point which Labour MPs have seized. They criticised some of Mrs. Thatcher's speeches in the U.S. last summer on the ground that the speeches broke the intre-party convention of "not knocking Britain when speaking abroad."

They take the view that Sir Keith has committed a similar offence.

£100,000 grant for laser 'breakthrough'

RESEARCH PHYSICISTS in Edinburgh hope they are on the edge of a major commercial breakthrough in development of lasers, the powerful light beams capable of cutting through blocks of steel, it was stated yesterday.

The Science Research Council is giving a grant of £105,300 to Heriot-Watt University, Edinburgh, for research in tunable laser spectroscopy. The work, over three years, is being carried out in the Department of Physics under the direction of Professor Desmond Smith and Dr. Carl Pidgeon.

PARLIAMENT

Healey finds MPs docile over loan

BY PHILIP RAWSTORNE

THE GOVERNMENT'S application for a £975m. loan from the International Monetary Fund raised remarkably few hackles in the Commons yesterday.

Mr. Denis Healey, the Chancellor, was reproved, to be sure, for his "rake's progress" by Sir Geoffrey Howe, the Tories' quietly-spoken spokesman.

But there was not a word of criticism from the Labour Left wing—and even a commendation from Mr. John Horam (Lab., Gateshead W.) for this "prudent alternative to a further depression of economic activity."

Mr. David Steel, for the Liberals, examining the low interest rates on the loans, asked why the Chancellor had not secured them earlier.

So mild was the reception for his statement that the Chancellor was encouraged to hope that once he had got the money and the IMF's implicit endorsement of his policies, then all his critics might respectfully shut up.

Mr. James Wellbeloved, Labour MP for Erith and Crayford, warned Mr. Healey not to be misled by the silence into thinking that there was not a strong body of opinion in the Government ranks in favour of import controls.

"I have been known, over the years, to give just as much attention to the silences of my honourable friends as to their words," Mr. Healey retorted, with a chuckle.

The IMF loan would place no constraints on the Government's policies, he assured MPs. No "letter of intent" would be required. Import controls would not be ruled out though consultations would be required if they were to be introduced.

Mr. Healey, confident and convincing, suggested that Britain's recent trade performance had ensured her credit rating. But for the increase in oil prices, the nation would have had a substantial balance of payments surplus, he said. It had not only erased the non-oil deficit but also covered a third of the oil gap.

"I would have thought that you would have taken some pride as an Englishman in that," he told Sir Geoffrey—who, as a Welshman, remained unimpressed.

So, too, did Mr. Gordon Wilson, the Scottish National MP for Dundee West, who demanded assurances that Scotland would not be "beggared by their English neighbours" when the loan was repaid from North Sea oil.

Missiles planned for air defence

By Michael Donne, Aerospace Correspondent

THE U.K. is to deploy Rapier surface-to-air missiles in Scotland as part of measures to strengthen the country's air defence.

Other actions include putting some Bloodhound surface-to-air missiles in Eastern England, Mr. Brynmor John, Under Secretary for Defence (RAF) told the Commons yesterday.

Mr. John said that studies were still in progress on finding a replacement for the Shackleton airborne early warning aircraft, while there would also be improvements to the ground-based warning and control system.

Other improvements to the air defence system in the future would include "hardening" of air force bases—for example, building more bomb-proof shelters for aircraft on airfields. This has already been done with RAF airfields in Germany.

These actions have and are being taken not to meet any specific new threat, but as part of the continuing task of keeping U.K. air defence up-to-date.

TV imports lower

Financial Times Reporter

IMPORTS OF Japanese colour television sets in the first nine months of 1975 were 40 per cent. below the figure for the same period in 1974, Mr. Eric Deakins, Under-Secretary for Trade, stated in the Commons yesterday.

He told MPs: "We have made it clear to the Japanese Government that we shall be ready to use the powers at our disposal if there is a disruptive increase in imports of colour television sets.

"Meanwhile, we have announced our intention to introduce import surveillance licensing in 1976 to enable us to monitor trends more closely."

'A substantial recovery'

THE NATION would have been in substantial surplus on its balance of payments this year but for the recent increase in oil prices, the Chancellor of the Exchequer, Mr. Denis Healey, said in the Commons yesterday.

Reporting to the House on the £975m. borrowing requirements announced on Friday, Mr. Healey told questioners that the arrangement did not rule out import controls but it did require consultations with the International Monetary Fund if controls were proposed.

Mr. Healey said that the Fund had been informed that the U.K. wished to apply for about £575m. under the 1975 oil facility, and for facilities up to and including the first credit tranche of normal IMF drawings, amounting effectively to a further £400m. Drawings were not expected until early next year.

The Chancellor added: "We have seen a substantial recovery in our balance of payments between last year and this year but a deficit must be expected to continue for some time to come. We have used a variety of channels to finance it so far and will continue to do so.

Sir Geoffrey Howe, "shadow" Chancellor asked if this meant that the Government had now given firm undertakings not to introduce import controls, either general or selective. "If the present Rake's Progress continues far beyond the limits set out in your Budget, when do you think there will be nothing left to borrow?"

Mr. Healey replied that Sir Geoffrey should have taken some pride as an Englishman in the fact that not only had we wiped out the whole of the deficit on our non-oil trade, but we had also in the current year covered one-third of the part of the deficit which resulted from the increase in oil prices.

Mr. Healey said: "This does not rule out import controls but it does require consultations with the Fund if such controls are proposed.

"If the Government wished to draw further credit tranches it would be required to submit a letter of intent, covering detailed quarterly targets for different aspects of economic performance.

"But such a letter is not required on this occasion, and there is no monitoring of the Government's policy by the IMF as a result of this drawing."

Liberal spokesman Mr. David Steel asked if the IMF shared Mr. Healey's confidence in present Government policies. Had he indicated to them that import controls were under consideration?

Mr. Healey said he had discussed Government policies informally with the managing director of the IMF. "I personally believe they will prove to obtain the endorsement of the IMF."

Mr. Gordon Wilson (SNP, Dundee E.), asking where the money would come from to repay the debt, requested an assurance that Scotland would not be "beggared by their English neighbours."

Mr. Healey said that Scottish unemployment had remained lower than throughout the U.K. generally. "We will be interested to hear whether you would support a referendum in Scotland on the question of devolution."

Japanese keen on N. Sea oil—Benn

Financial Times Reporter

JAPANESE interests in North Sea oil is "very strong," Mr. Anthony Wedgwood Benn, Secretary for Energy, told the Commons yesterday.

He reaffirmed that there would be no discrimination against foreign companies who submit applications for the next licensing round.

Questioned about his discussions with the Japanese Government about possible Japanese participation in the development of the North Sea oilfield, Mr. Benn said he had made it clear that the Government would soon be making available further blocs for licensing.

He emphasised that 73 per cent. of the Japanese energy consumption is in the form of oil and that 99.7 per cent. of it has to be imported.

Mr. Benn denied a suggestion by Mr. Patrick Jenkin, "shadow" Energy Minister, that his attitude to possible Japanese investment in North Sea oil was in stark contrast to that of his predecessor, Mr. Eric Varley.

Mr. John Smith, Under-Secretary for Energy, forecast increasing activity in drilling for oil in the Celtic Sea in the coming year. He suggested that one of the main reasons for the lack of activity in this area in the past year was the high rate of success achieved east of Shetland.

Estimate

Mr. Smith also stressed the fact that companies holding licences for the Celtic Sea were under an obligation to meet the drilling schedule or surrender their licences.

In an earlier clash with Mr. Jenkin, Mr. Benn insisted that it was not correct that uncertainty about participation by the British National Oil Corporation had impeded the development of oil rigs and led to a loss of jobs in Scottish fabrication yards.

The Minister stated that the reduced estimate made by the Government of the yield of oil from the North Sea for 1976, 1977 and 1978 compared with forecasts made in 1973 stemmed from the over-optimistic view then taken of the time needed to bring fields into production.

Land Bill tilts balance against individuals—Tory

BY JOHN HUNT

THE Community Land Bill could be "finally ditched" by Tory threats to repeal it as soon as they get back into office, Baroness Birk, Under-Secretary for the Environment, told the Lords last night.

Winding up the Lords' third reading of the controversial legislation which empowers local authorities to take development land into public ownership, the two Conservative front-bench speakers—Baroness Young and Lord Sandford—again vowed that their party intend to repeal the Bill at an early date.

Baroness Birk accused them of trying to "scare the pants" off the electorate and creating alarm by misrepresenting the intentions of the Bill. She conceded that it was a radical measure but denied that it was a revolutionary one.

The Bill, which has had 180 hours of debate in the Commons and 67 hours in the Lords, returns to the Commons to-day for MPs to consider the large number of amendments made by the peers. It goes back to the Lords to-morrow on the last day of the present "spill-over" session and is expected to become law.

House

Baroness Young warned: "The house in a disposal notification area will be unsaleable. It is useless for the Government to say that the owner-occupier has nothing to fear. No one knows the size of the disposal notification areas or who will be under threat in them."

She predicted that the Bill would result in delay in house building and industrial development. Local authorities were not happy about the provisions for the disposal of land while the churches and charities were also extremely worried.

"One of the most extraordinary facts of the Bill is that the more that is known of it, the more alarmed the public has become," she maintained.

It had changed the fundamental premise of planning and under its terms, local authorities would have the power and the duty to acquire all development land. "The fact is that the balance is now shifted in favour of acquisition by local authorities and against the individual. Until this Bill, the balance was the other way."

She recalled that the Tories had made amendments excluding the owner-occupier from the disposal notification areas but she doubted whether this would give the individual house owner full protection.

The Bill would entail the employment of 1,400 extra civil servants when the purposes of the legislation could, in fact, be achieved under present law and under the present tax system.

Lord Sandford said that the Labour party had always been after public ownership, municipalisation and finally nationalisation of land. The only hopeful sign was that the Bill would do more than any other piece of legislation to hasten the electoral defeat of the Labour party.

"People are beginning to realise what its effects will be," he told peers. "It will be a major factor for good in the next local elections in May. It will not be very long thereafter before it can be erased from the Statute Book."

Baroness Birk accused the Conservatives of "knocking" the Bill and of scaremongering with allegations that it would mean the nationalisation of land. In reality, it would mean that development land—and only such land—would pass through public ownership largely by way of local authorities. Land that would not be developed would not be affected in any way.

Charities

"The Bill will not mean the end of freehold as has constantly and mischievously been suggested," she said. "The Government is entirely committed to the extension of owner occupation."

She accused the Opposition of passing amendments which "drive a coach and horses for leather through the basic principles of the Bill."

The Bishop of London Dr. Gerald Ellison said he hoped that the Government would be able to accept his amendment which exempts churches and charities from the provisions of the Bill.

Earlier, by a majority of 18 (70-52), the Conservatives again defeated the Government and passed an amendment which would mean that the Environment Secretary would have to approve all disposal of land by local authorities under the Bill. The legislation had laid down that they could dispose of land in a flexible fashion without specific reference to the Secretary of State.

Tories welcome Rees pledge on control of troops

ULSTER SECRETARY, Mr. Merlyn Rees, yesterday told MPs that he had received the report of the Northern Ireland Constitutional Convention.

He did not elaborate on details of the report, but stressed: "The British Army is under the control of this Parliament only, and the sovereignty of the Queen in the Parliament of the U.K. rests also at Westminster."

During questions following his statement, Mr. Rees said that the Government and Parliament would examine the report carefully, and added: "Meanwhile Northern Ireland will continue to be governed by, and from, this Parliament."

Mr. Rees said that until Parliament decided otherwise, he would exercise all functions of Government with the help of other Ministers. The report would be published as soon as possible in the new session of Parliament.

Mr. Rees said that the report dealt with a number of fundamental issues affecting the future of Northern Ireland.

He emphasised that the Convention was not a Parliament or an Assembly, and that it had no advisory or other functions in the Government field. Its specific purpose was "considering what provision for the government of Northern Ireland is likely to command the most widespread acceptance throughout the community there."

The report dealt with a number of fundamental issues affecting the future Government of Northern Ireland, including the form of that Government, its powers and functions, its legal authority, questions of constitutional rights and its relationship with Parliament. It also covered financial assistance and taxation and responsibility for law and order and the use of the Army.

"Both the Government and this House will wish to consider these matters very carefully, and I also hope that the people of Northern Ireland will ponder upon them since they profoundly affect the future of Northern Ireland."

"There is no quick and easy solution to the problems of Northern Ireland, and my strong view is that everything we say and do should acknowledge this.

"Meanwhile, Northern Ireland will continue to be governed by, and from, this Parliament. It is in accordance with this principle that the Northern Ireland Act 1974 provides for all functions of government to be exercised by me with the help of other Ministerial colleagues. That is the position until Parliament decides otherwise."

He paid tribute to the chairman of the Convention, Sir Robert Lowry, and his staff.

Mr. Airey Neave, Opposition front bench spokesman on Northern Ireland, welcomed Mr. Rees's comments on the control of the Army and the sovereignty of the Queen, adding "This is undeniable, and has our full support on this side of the House."

Mr. James Molyneaux (UUU, Antrim S.) said that the future structure of the Government in Northern Ireland could not meaningfully be considered in isolation from forthcoming discussions on devolution in the U.K. as a whole.

Mr. Rees replied that when talking about devolution, although the theory and philosophy might be the same, Northern Ireland had different problems from Scotland.

He told Mr. Jock Stallard (Lab., St. Pancras N.) that the report contained a draft constitutional Bill, "and it makes very interesting reading."

Amid cheers, Mr. Alan Beith (L., Berwick-upon-Tweed) declared that anyone who thought the Commons would be intimidated by violence against its members, or the British public in general, was sadly mistaken.

Mr. Rees replied: "I think that message is getting through. It has certainly got through in Northern Ireland in the last five years, where violence and killing, and 1,500 dead, does not seem to have changed anybody's view at all."

Mr. Gerry Fitt (SDLP, Belfast W.) asked what opportunity the Convention members, many of whom had been local Parliamentarians under the old system would have of continuing to represent their constituents.

Mr. Rees stressed that although he was always happy for Convention members to write to him or other Ministers, they were not constituency members in Northern Ireland. There were 12 constituency MPs for Northern Ireland at Westminster, and they were the ones to bring matters before the Commons.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 10, 1975. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from the market rates of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate; no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling-dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	346(sg)
Afghan'tan	Afghani	122 (A)
Albania	Lek	(O)10.10(A) (T)25.29(A)
Algeria	Dinar	(A)8.00(sg)
Andorra	French Franc	9.02¾
	Spanish peseta	122
Angola	Ang. Escudo	54.90
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(cm) 81.47 (fn) 104.41
Australia (S)	Australian $	1.6288
Austria	Schilling	37.55
Azores	Portug. Escudo	54.90
Bahamas (S)	Ba. Dollar	2.0785
Bangladesh (S)	Taka	29.30(sg)
Bahrein (S)	Dinar	0.815
Balearic Is.	Spa. Peseta	122.00
Barbados (S)	Barbados $	4.144
Belgium	B. Franc	(cn) 79.90 (fn) 82.425
Belize	B$	4.0
Bermuda (S)	Bda. $	2.0665
Bhutan	Indian Rupee	18.240
Bolivia	Bolivian Peso	41.35
Botswana (S)	S. A. Rand	1.7978
Brazil	Cruzeiro	17.87
Br. Solomon Is (S)	Australian $	1.6288
Br. Virgin Is (S)	U.S. $	2.0665
Brunei (S)	Brunei $	5.0982
Bulgaria	Lev	£1.98
Burma	Kyat	(A)15.45(sg)
Burundi	Burundi Franc	185.86
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	451.125
Canada	Canadian $	2.0975
Canary Is.	Spanish Peseta	122.0
Cape Verde Is	Cape V Escudo	54.90
Cayman Is. (S)	Cay. I. $	1.7255
Cent. Af. Rp.	C.F.A. Franc	45.725
Chad	C.F.A. Franc	451.125
Chile	C. Peso	(Bk) 15.51 (T) 15.51
China	Renminbi Yuan	4.0136
Colombia	C. Peso	(P)67.07
Comoros I'ds	C.F.A. Franc	451.125
Congo (B'lle)	C.F.A. Franc	451.125
Costa Rica	Colon	17.772
Cuba	Cuban Peso	1.712
Cyprus (S)	Cyprus £	0.7864
Czechoslov'ka	Koruna	(com) 11.20 (n/c) 20.68 (T) 20.79
Dahomey	C.F.A. Franc	451.125
Denmark	Danish Krone	12.36
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	2.0626
Ecuador	Sucre	(O)51.404 (F)51.662
Egypt	Egyptian £	(O)0.81 (T)1.22
Ethiopia	Ethiopian $	(P)4.282
Eq'l Guinea	Peseta	122.00
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	12.36
Fiji Is. (S)	Fiji $	1.7642
Finland	Markka	7.984
France	French Franc	9.02¾
Fr. C'ty in Af.	C.F.A. Franc	451.125
Fr. Guiana	Local Franc	9.02¾
Fr. Pac. Is.	C.F.P. Franc	164.14
Gabon	C.F.A. Franc	451.125
Gambia (S)	Dalasi	4
Germany East	Ostmark	5 (A)
Germany West	Deutschemark	5.30
Ghana (S)	Cedi	2.36
Gibraltar (S)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.6288
Greece	Drachma	71.5418
Greenland	Danish Kroner	12.36
Grenada (S)	E. Caribbean $	4.80
Guadeloupe	Local Franc	9.02¾
Guam	U.S. $	2.0665
Guatemala	Quetzal	2.0665
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	5.2875
Haiti	Gourde	10.3325
Honduras Rep	Lempira	4.175
Hong Kong (S)	H.K. $	10.35
Hungary	Forint	(com) 57.67 (T) 46.00
Iceland (S)	I. Krona	334.20
India (S)	Ind. Rupee	18.240
Indonesia	Rupiah	857.58
Iran	Rial	(A)145.25
Iraq	Iraq Dinar	0.609
Irish Rep	Irish £	1.00
Israel	Israel £	14.462
Italy	Lira	1,394
Ivory Coast	C.F.A. Franc	451.125
Jamaica (S)	Jamaica Dollar	1.8815
Japan	Yen	625
Jordan (S)	Jdn. Dinar	0.665(sg)
Kenya (S)	Ken. Shilling	16.827
Korea (Nth)	Won	n.a.
Korea (Sth)	Won	959.52
Kuwait (S)	Kuwait Dinar	0.604
Laos	Kip	n.a.
Lebanon	Lebanese £	4.830
Lesotho	S. African Rand	1.7978
Liberia	Liberian $	2.0665
Libya	Libyan Dinar	(P)0.61177
Liecht'stn	Swiss Franc	5.44½
Luxembourg	Lux Franc	79.90
Macao	Pataca	12.7525
Madeira	Portug'se escudo	54.90
Malagasy Rp.	MG Franc	451.125
Malawi (S)	Kwacha	1.6488
Malaysia (S)	Malaysian $	5.275
Maldive Is (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	902½
Malta (S)	Maltese £	0.8218
Martinique	Local Franc	9.02¾
Mauritania	Ouguiya	♦
Mauritius (S)	M. Rupee	13.55
Mexico	Mexican Peso	25.82
Miquelon	C.F.A. Franc	451.125
Monaco	French Franc	9.02¾
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E. Caribbean	4.80
Morocco	Dirham	8.42(sg)
Mozambique	Moz. Escudo	54.90
Nauru Is.	Aust. Dollar	1.6288
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	5.44½
Neth. Ant'les	Antillian Guild	3.69505
New Hebrides	Franc	0.532
	Aust. Dollar	1.6288
N. Zealand (S)	N.Z. Dollar	1.958
Nicaragua	Cordoba	14.53
Niger Rp	C.F.A. Franc	451.125
Nigeria (S)	Naira	1.35937(sg)
Norway	Nrwg Krone	11.35
Oman Sultanate of (S)	Rial Omani	0.715
Pakistan	Pkst. Rupee	20.15(sg)
Panama	Balboa	2.0665
Panama Canal Zone	U.S. $	2.0665
Papua N.G. (S)	Kina	1.6165
Paraguay	Guarani	257.98
P'ples D. Rp. of Yemen (S)	S. Yemen Dinar	(A)0.70
Peru	Sol	(ex/c)A95.06 (A) 93.08
Philippines	Ph. Peso	15.55
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.6288
Poland	Zloty	(B)41.00 (T)68.08
Portugal	Pgse Escudo	54.90
Port Timor	Timor Escudo	54.90
Principe Isles	♥♥	♥♥
Puerto Rico	U.S. $	2.0665
Qatar (S)	Qatar Ryal	8.15
Reunion Ile de la	French Franc	9.02¾
Rhodesia	Pound	n.a. ●●
Romania	Leu	(cm)10.16 (n/c)(T)34.63
Rwanda	Rwanda Franc	188.90
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	451.125
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	5.17
Samoa (Am.)	U.S. $	2.0665
San Marino	Italian Lira	1,394
Sao Tome	♥♥	♥♥
Saudi Arabia	Ryal	7.31
Senegal	C.F.A. Franc	451.125
Seychelles	S. Rupee	14.25
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	5.0840
Somali Rep.	Som Shilling	(A)15.20(sg)
Sth. Africa (S)	Rand	1.7978
S. W. African Territories (S)	S. A. Rand	1.7978
Spain	Peseta	122.00
Span. Ports in North Africa	Peseta	122.00
Sri Lanka (S)	S. L. Rupee	15.5689(sg)◆◆
Sudan Rp.	Sudan £	A 0.759(sg)
Surinam	S. Guilder	3.6990
Swaziland (S)	Lilangeni	1.7978
Sweden	S. Krona	9.01¼
Switzerland	Swiss Franc	5.44½
Syria	Syria £	(A)7.50 (sg)
Taiwan	New Taiwan $	(P)78.527
Tanzania (S)	Tan. Shilling	16.895
Thailand	Baht	41.975
Togo Rp.	C.F.A. Franc	451.125
Tonga Is. (S)	Pa'anga	1.5165
Trinidad (S)	Trin. & Tobago	[illegible]
Tunisia	Tunisian Dinar	0.845(sg)
Turkey	Turkish Lira	31.05(sg)
Turks & C's	U.S. $	2.0755
Uganda (S)	Ug. Shilling	16.846
Utd. States	U.S. Dollar	2.0665
Uruguay	Uruguay Peso	(cm) 5.24 (fn) 5.53
Utd. A'b Emir.	U.A.E. Dirham	8.17
U.S.S.R.	Rouble	1.55
Upper Volta	C.F.A. Franc	451.125
Vatican	Italian Lira	1,394
Venezuela	Bolivar	8.86(z)
Vietnam (Nth)	Dong	(Om)n.a.(g) (T)n.a.(g)
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	2.0665
Western Samoa (S)	Samoan Tala	1.2851
Yemen	Ryal	9.38(sg)
Yugoslavia	New Y Dinar	37.0722
Zaire Rp.	Zaire	1.0354
Zambia (S)	Kwacha	1.3305

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 25 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the independent regime on February 17, 1970. Recent reports suggest a rate of about 1.254 Rh. dollars to £1.

♦ The Ouguiya has replaced the CFA Franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency.

(z) General rate: oil and iron exports 8.6793.

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 6.253 Russian roubles, the North Vietnam dong at [illegible] roubles, and the North Korean won at 0.750 roubles. With the pound standing at 1.55 roubles, the following relationships could be calculated for the pound: £=6.59 tugriks. £1=5.06 dongs. £1=2.07 won.

♥♥ Information not available for this edition.

* Rate is the Transfer market (controlled).

** Rate now based on 2 Barbados $ to the dollar.

† Special Financial Rate is 142.55.

‡ Australian dollar remains in circulation.

§ Now one official rate.

Callaghan warns EEC partners

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE PLAINEST public warning on the need for co-operation in policy-making so far given by a U.K. Government Minister to the Common Market countries was given by Mr. James Callaghan, Foreign Secretary, in the Commons yesterday.

Stressing the lack of concerted policy among the EEC countries, Mr. Callaghan declined to accept criticisms from some of Britain's EEC partners over this country's insistence on having its own seat at next month's Paris Conference on International Co-operation — initially intended as an energy conference.

The subject matter now to be embraced by the conference—including not only energy, but raw materials, development and related financial matters—was wide enough to keep the participating members occupied for 12 months, the Foreign Secretary told MPs during a debate on foreign affairs.

With eight industrial nations and 19 developing nations involved, he did not see how it could bring a common approach to all the problems.

So far as energy issues were concerned, a matter of the highest importance to the U.K., no agreement had been reached on a minimum ceiling price or about depletion, and, indeed, no agreement appeared to be in sight within the EEC on energy policy as a whole.

Mr. Callaghan warned his EEC colleagues that if they went to the conference with the present lack of co-operation, he saw nothing but impatience and frustration arising from "patchwork" attempts to get a formula for agreement where there were substantial differences of view.

"We hope the conference will do useful work," he said. "There are pessimists. I hope their judgment is wrong. We shall do our best to make a success of it.

"But we cannot afford to fail to indicate to the Community, the U.S., Japan and other nations, going to the conference, that we have a very important interest in this matter."

On the issue of direct elections to the European Parliament Mr. Callaghan said: "This is a treaty requirement and we shall honour it."

Monopoly

But he discouraged any idea that proposals would be easily or quickly settled. They were matters for each of the member countries.

On trade, he expected the Foreign Office to play an increasing part in conjunction with the Department of Trade. The Diplomatic Service had a key role in helping British business to sell British goods.

There were now 700 foreign service officials on whole-time commercial work, with others engaged on it part of the time, said the Foreign Secretary.

Surveying the wide field of foreign affairs, he foresaw the major task of 1976 would be progress in arms reduction. But this would need immense effort to achieve, he emphasised.

Mr. Reginald Maudling, "shadow" Foreign Secretary expressed concern at the spread of anti-democratic ideas, on the weakening of the southern flank of NATO, and on the continuing development in the Third World of hostility to the West.

Economically, Britain faced a threat from the growth of the power of raw material producers, Mr. Maudling maintained. The consciousness of monopoly power, which had been realised by the oil producers, might spread to other nations.

On the question of direct elections to the European Parliament, Mr. Maudling agreed with Mr. Callaghan that each member country should be free to choose its own methods of election—so long as their representatives were democratically chosen.

Turning to the energy conference, he questioned whether it was right to press strongly for separate representation for the U.K. This could harm other equally important British interests, such as the cohesion of Europe and the success of the conference itself, Mr. Maudling suggested.

Mr. Geoffrey Rippon (C. Hexham) said that the Government's attitude to direct elections to the European Parliament was depressing. The Government kept concentrating on the practical difficulties, instead of emphasising that it was the last Labour Government which, in 1969, in a declaration signed by the present Prime Minister, had committed us to direct elections.

Criticising the Government's attitude to the EEC since renegotiation, Mr. Rippon said: "We took an absolutely dismal attitude on pollution of the environment, and policy in a field in which we had taken a lead. In all these matters it is our good faith which is at stake."

Mr. Rippon said we were not advancing our interests by our ham-handed attitude to the world energy conference. "We have no reason and no interest in being so divisive in our attitude."

Dismissing fears of a takeover of our oil resources by the EEC, he said: "Our ownership and control of our oil and other resources is no more at issue than French sovereignty over Paris."

Urging that wider responsibilities should be remembered, particularly to developing countries, Mr. Rippon said: "The Government often gives the impression of being motivated by the narrowest and ultimately self-defeating objectives. I hope we shall see a much more statesmanlike view in Rome."

When it came to "the crunch" our attitude was narrow and nationalistic. Britain should add a new dimension to its European policy and warn the Community against being introspective. "But time after time, we look as if we are just sinking into the same introspection."

There was a feeling that we were "on the retreat" in many areas. It was sad that the Egyptian President should have had to come here and urge us to take more interest in the Middle East.

Fuel stocks advice

THE GOVERNMENT yesterday warned householders to build up stocks of fuel to guard against disruption of supplies by severe winter weather.

In a Commons written reply, Mr. Anthony Wedgwood Benn, Energy Secretary, pointed out that this was already done by power stations and steelworks. The fuel and transport industries had made contingency plans to reduce the effects of severe cold on production and distribution of stocks.

These included plans for switching coal traffic temporarily from rail to road.

Mr. Benn said that the British Gas Corporation expected to be able to cope with severe winter conditions. There was at present a "considerable amount" of spare capacity in the electricity supply system due to the sharp down-turn in demand. Unless extremely cold weather arrived unexpectedly, the system would be able to meet all demands "bearing in mind the high stocks of fuel which are available at the power stations."

Much of the oil consumed was transported by pipelines which were not affected by cold. Measures had been taken to ensure that deliveries to customers were maintained at a reasonable level.

Borrowing figures

AT THE END of October this year, the equivalent of $7bn. had been borrowed by the public sector for domestic purposes and the Government's outstanding foreign currency borrowing overseas comprised the $2.5bn. loan with the clearing banks and the equivalent of £4.2bn. long-term debts arising, in the main, out of the Second World War.

These figures were given in the Commons yesterday in a written reply by Mr. Edmund Dell, the Paymaster-General.

In addition, he stated, identified overseas holdings of U.K. Government stocks and Treasury Bills and overseas deposits with U.K. local authorities amounted to approximately £3.2bn. at the end of June, 1975.

Height rules for police attacked

MINIMUM height rules for entry to the police were attacked as a form of discrimination by Lord Beaumont of Whitley (L) in the Lords yesterday.

Lord Harris of Greenwich, Minister of State, Home Office, said that the present general minimum height was 172 cms for men (about 5 feet 8 inches) and 162 cms (about 5 feet 4 inches) for women. But chief officers had discretion to accept candidates below the minimum height limits.

Lord Beaumont said that certain forces had a very definite minimum above that standard. "People who are small may be both psychologically and physically able to be policemen and this blanket discrimination is a bad thing."

Lord Harris said that chief officers relaxed the rules in a significant number of cases.

Baroness Summerskill (Lab) said that in the world of boxing it was weight and not height which determined a man's capability. Lord Harris replied: "The qualities which one looks for in a boxer are not necessarily those one looks for in a policeman."

FINANCIAL TIMES SURVEY

Tuesday November 11 1975

THE NETHERLANDS

The Netherlands to-day is stable and prosperous. It has come through the recession better than most of its neighbours. Changes in social values, however, may prove a threat to this stability and to the country's traditional tolerance.

New values for old

By David Curry

THE OLD truths are still valid. The Dutch are still thrifty, well organised and entrepreneurial. They have still an instinct for commerce, an international outlook (it is a favourite Dutch refrain that just about every international organisation except the World Bank is headed by a Dutchman) and, despite everything, are still strongly imbued with a Calvinism which leads the younger generation to apply itself even to permissiveness with a strongly serious intent.

Many of the movements of the recent past — movements which have included radical *abortion* reform and the development in Holland of a strongly liberal and relatively unhierarchical brand of catholicism — are themselves products of long traditions of free-thinking and an open intellectual environment. If certain things seem initially incongruous — a photographic exhibition in the lobby of the Ministry of Economic Affairs boasting some elegant pensive nudes — it is perhaps because one underestimates the Dutch talent for institutionalising novelties. Permissiveness itself has now become part of official liberalism, which means that it has been assimilated into Dutch life without upsetting institutional continuity. Yet it is quite clear that some of the traditional characteristics of Dutch life are, nevertheless, changing and that new truths are being written.

The division of society and institutions on confessional grounds is being eroded, though it is far too soon to write off protestantism and catholicism as being the mainspring of fundamental attitudes. While confessional polarisation is declining, it appears to be yielding to a more conventional ideological polarisation which has important implications for the structure of Dutch politics.

The Netherlands post-war generation is learning for the first time that prosperity is not predestined always to increase. Holland has done magnificently out of the Common Market. It is its leading energy supplier, a big food *exporter and a significant* industrial and commercial power.

From being one of the great *entrepots of the old colonial* empires, Holland was able to take advantage of its position on the estuary of the Rhine, the greatest trade and cultural route in Europe—to make itself a focal point of the growth in the European economy spurred by the political unification of which Holland has always been strongly in favour. Yet the Dutch have always combined a strongly federalist conception of Europe with an assertive Atlanticist stance both in its national commitments outside the EEC (NATO, for example) and in its vision of where Europe fitted into the world.

Shared

The long-standing links with the Anglo-Saxon world derived from shared historical experience, commercial ties and a close cultural and intellectual affinity and the existence of a developed capital market combined with geography to make the Netherlands a focal point of foreign investment. On the basis of this growth the country has been able to construct a super-Welfare State, whose citizens enjoy unemployment benefits, retirement pensions and a minimum wage among the most generous in Europe.

Even when the rhythm of growth began to decline in the 1960s the discovery of natural gas enabled the expansion in social expenditure to continue. Earnings from wells now in production will begin to decline towards the end of the 1970s, but reports of a new find with potentially *rich resources make* it unwise to assert that Holland's great dowry to the EEC may be *running short.*

The ending of the prospect of automatic growth has under*lined worries about the pattern* of the Dutch economy which have been subdued hitherto. In particular, the steady rise in the proportion of national wealth accounted for by the Government and the simultaneous decline over a period of years in the profitability of the private sector is causing fears that the current recession is masking a more deeply rooted structural crisis in the economy indicated by declining investments, sinking returns on capital, the threat of substantial structural unemployment and a consequent deepening financial crisis for the Government of the day. In addition, with the disappearance of the economic growth that makes political compromise workable, there is growing concern that the social climate in industry is deteriorating as demands for industrial participation by the country's very strong unions become more radical.

The task of presiding over an economy which has got the jitters falls to the most left-wing Government in the EEC. Prime Minister Joop Den Uyl (Uncle Joop) runs a Government consisting of five of the 14 parties in the Dutch Parliament, and one which took months to put together. At the centre of it is his own Labour Party. On the left flank are two smaller *parties, the D66 group, which* broadly brings together leftish inclined liberals and radicals, and the *radical party (PPR),* which began as a left-wing Catholic breakaway from the Catholic *Christian Democratic* Party and harnesses a radical socialistic stream of thought.

Linked to this socialist and beyond group are two of the three parties in Parliament which are broadly Christian Democrat: the Catholic Party (KVP), which used to be the country's largest and the Anti-*Revolutionary* Party (ARP), which is Protestant in affinity.

Forming the opposition is the third Christian Democrat group, the Protestant-orientated Christian Historical Union and the much larger Party for Liberty and Democracy—the liberals.

The decline of confessional politics has prompted the three parties with an essentially Christian Democratic ideology to try to come together across the confessional lines rather than be decimated individually at the polls, but deep disagreements remain. This same evidence of a swing from confessional to ideological politics in the country has rather imprisoned the Government's smaller partners in the coalition, but while the Government majority is usually adequate each group has particular sensitivities around which the coalition must be careful to skirt.

The Government in its two years of office has set about implementing its 1972 action *programme which is the ark of* the covenant for the Left-wing parties. There have been two *important strands in the Gov*ernment's policies, both strongly reflecting the Government's *links with the trades unions.*

The first has been the policy of income levelling. The Government has declared that it intends eventually to make sure that nobody earns after tax more than five times as much as anyone else. The levelling has been promoted by adjusting tax thresholds to benefit the lower paid and penalise higher incomes, raising the minimum wage to Fls.1,400 a month, and by introducing flat-rate wage increases rather than percentage rises. A law on incomes distribution and changing the indexing system to allow inflation to erode higher salaries is being considered.

Attack

This has taken place simultaneously with an attack on corporate wealth and freedom. The Government's programme commits it to introduce a measure to cream off "super" profits (ironically this year a record number of Dutch companies will make losses) and place the receipts in a fund under union management for worker benefit. It is also pledged to change the constitution of works councils to end the present chairmanship of the managing director and to create personnel councils. Stronger intervention in investment decisions is a further article in the programme, but it is noticeable that the Government has applied its own measures very loosely to enable it to steer investment into the regions.

The philosophical background to these moves is the belief of the union movement that Holland's social market economy should become more social and less market. The union document setting out their political aims essentially envisages the company as a vehicle of social and economic restructuring in which profits are incidental (though, to be fair, it is not intended that manifestly unprofitable enterprises should be permanent recipients of artificial respiration at public expense).

The practical background to the industrial participation policy is the need to achieve wage restraint and a Government commitment to try to *limit severely the rate at which* the public take of the national wealth grows. The unions have *made it clear that they will* settle for compensation for cost of living increases for the *average worker (defined as a* man earning Fls.24,000 a year) only if the Government pays *the ideological price of advance* in industrial democracy.

The Government is unenviably placed. It recognises the need to restore profitability to the corporate sector and restrain in the interests of long-term structural renewal the preponderance of the State sector. It is taking some of the burden of social security payments off employers' shoulders and directing aid selectively to the corporate sector But it has not the political room, because of the strength of its socialist support, nor the financial room, to move rapidly.

Next year's budget will run to a deficit of more than Fls.15bn. even if the most optimistic economic forecasts come true, which they will not. It has committed itself to tax increases on items like drink, tobacco and road tax, which will hit its own constituents, and its remarks about the need to curb the growth of the collective sector have already led to unhappy mutterings among its own supporters. The fear is that the Government will have little alternative at the end of the day but to use monetary means to finance its deficit and that this will immediately put more momentum behind inflation, which this year will be around 10 per cent.

In the EEC Holland has stood for the assertion of moral values in the Community's dealings

CONTINUED ON NEXT PAGE

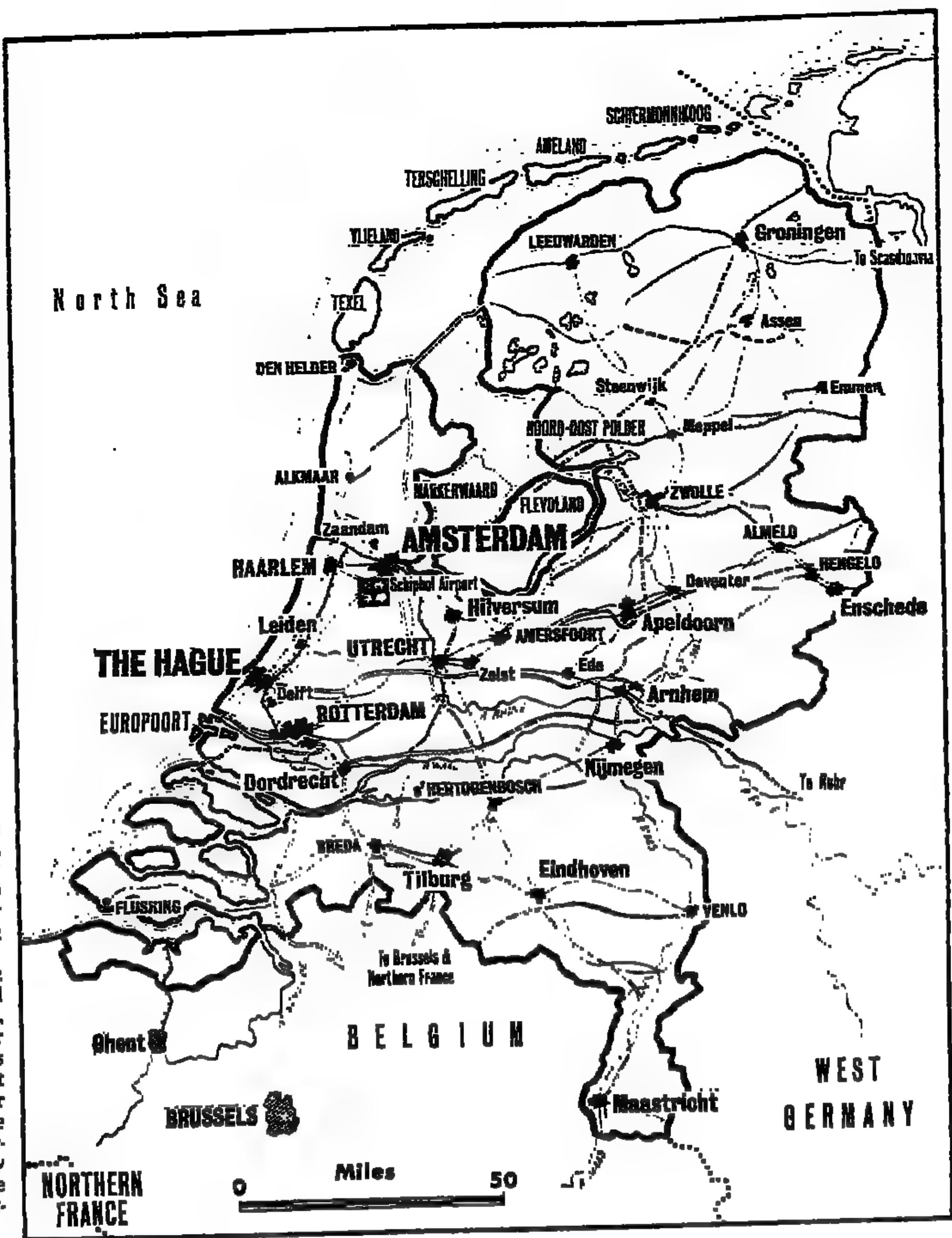
BASIC STATISTICS

Area	14,718 sq. miles
Population	13.5m.
GNP	Fls.187bn.
Per capita	Fls.13,800
Trade (1974)	
Imports	Fls.91.7bn.
Exports	Fls.88.5bn.
Imports from U.K.	£982m.
Exports to U.K.	£1.6bn.
Currency: Guilder £1=Fls.5.4	

The economic dilemma

THE DUTCH economy is caught in something of a vice. On the one hand, it is marked by an increasing pre-emption of national income in the form of State spending: on the other, there is an urgent need to restore some profitability to the private sector. On the one hand, again, the mounting level of Government expenditure is part of an anti-cyclical plan to combat unemployment and meet the demands of the super welfare State; on the other, unless more of the national income is returned to investment and profits the rapid rise in structural unemployment is inevitable.

While the Government is showing signs of recognising this dilemma, the problems of political initiative within a complex Left-Centre coalition with both ideological and confessional differences, the expectations of the welfare state and its appetite for cash; and the persistence of the economic depression beyond original expectations are combining to make the choices harder and the pitfalls more apparent.



Gloomy

The picture for 1975 is gloomy. GNP is likely to down some 2.5 per cent. over the year, while unemployment is likely to average some 210,000 or 5 per cent. If those on disability pensions are included among the unemployed (and industry has clear advantages in having people classified as disabled rather than laying them off), unemployment is closer to 8 per cent., of which two-thirds is probably structural. Export volume is heading for a 3 per cent. drop, the first decline since the war, and this is particularly serious in an economy in which more than half the national income comes from exports.

Private sector investment is likely to be some 7 per cent. down, reflecting the low level of profits, and this situation is not simply a reflection of immediate problems but, more worryingly, reflects a trend in the decade of the 1970s deriving from declining profits, increasing demand on company costs for replacement investment and difficulty in cash raising as companies become increasingly heavily geared.

Wage costs in 1975 are reckoned to rise by some 13.5 per cent. against 16 per cent. last year, while productivity is expected to decline by 1 per cent. Price controls, which are based on the supposition of a 2½ per cent. improvement in productivity, impede the passing on of higher costs. Wage costs per unit of production are likely to be some 15.5 per cent. up over the year, a factor which is disturbing since the equivalent rise in the economies of major trading competitors, adjusted to guilder terms, will be some two-thirds of the Dutch level.

The trading picture is relatively bright in the short term—a Fls.4bn. surplus is expected on current account—because the terms of trade have moved in Holland's favour and, overwhelmingly, because of natural gas earnings, which are likely to be some Fls.14.3bn. this year. If the use of natural gas as a domestic and industrial fuel is allowed for, the true balance of payments effect of gas is closer to Fls.12.5bn. Add that natural gas earnings will peak in a couple of years and thence tail off (unless major new fields are discovered) and that gas revenues have been devoted to consumption, and the nature of the restraints on the country's high welfare economy become clear. For next year, at any rate, the party can go on because gas earnings will rise by some Fls.11.5bn.

The current symptoms of recession are European phenomena. But the Dutch are worried about the deeper structural imbalance in the economy which has been characterised over recent years by a decline in economic growth, lower business profitability, sharply declining fixed investments by both State and private sectors, as well as substantial increases in prices, manpower costs and unemployment.

Familiar

This is a problem familiar to the U.K. The shadow over the economy is the rapid rise in State spending and the State's absorption of national income—a problem which ultimately presents itself as the preservation of the mixed economy upon which political libe ties are based. Taxes and social security contributions are now around a half of national income against a third some 15 years ago. If the collective sector is taken to include the sum of official consumption and investment, interest payments, transfers and social security payments, then its share of national income has risen from 36 per cent. in 1960 to around 61 per cent. this year and is still rising.

A further indication of the decline of the corporate sector is the calculation of the proportion of value added by business in the course of its activities which goes on wages and the part left for profits and depreciation. This year some 95 per cent. is likely to go on wages, and the corporate sector's return on investment is now below 4 per cent. against some 9 per cent. in the early 1960s.

The consequences of this trend are serious. Industrialists talk of investment stagnation and the steady advance of structural unemployment, while capital flight takes jobs with it, leaving the Government increasingly locked into acute financing difficulties caused by the absence of economic growth.

This, then, is the background to the Government's economic programme which is embodied in the 1976 budget. The Government has declared its intention to limit the annual increase in the proportion of national income absorbed by the State to 1 per cent., but this, along with its whole financial package, is predicted upon forecasts of an increase in economic activity which is looking increasingly unlikely.

The budget is based on the following assumptions: an 8 per cent. growth in world trade and a 9 per cent. growth in Dutch exports; a 3.5 per cent. increase in the volume of Dutch GNP and a 4 per cent. rise in industrial output, spurred by a 3 per cent. increase in private consumption and a 3½ per cent. increase in Government expenditure excluding wages and salaries. Private sector investment is billed to fall a further 5 per cent. and unemployment (excluding invalids) expected to average some 240,000. Wages are forecast to rise by 10 per cent. Next year's wage negotiations are being conducted against a union demand that they should aim at preserving the purchasing power of the "average" worker with two children earning Fls.24,000 a year. A 7½-8 per cent. increase in prices is expected.

The figure for world trade growth has since been revised down to 5 per cent., but as yet the implications of this for the remaining assumptions have not been declared.

The budget included about Fls.7bn. for reflationary purposes, which will swell the Fls.8.1bn. "normal" deficit to around Fls.15.1bn. — equivalent to 7 per cent. of national income and excluding some Fls.3.5bn. deficit which other public authorities will run. Tax increases in the budget include a raising of VAT rates from 16 to 18 per cent. from July next year, higher direct taxes, steeper excise duties on drink and tobacco and high road tax.

Specifically new reflationary measures total some Fls.13bn. and include: Fls.600m. to transfer to the State part of the burden of employers' social security contributions; special direct aid to companies; incentives to the building industry to hire workers; measures to improve the operation of the labour market; and the postponement of the VAT increase to July.

The big question mark is over the financing of the deficit. Some Fls.14.3bn. will come from loans by State pension funds and for the remainder the Government will look to the capital market.

Slight

But can the markets take care of the Government's needs? Certainly, demand for capital by the corporate sector is slight and the Government will have little competition for loans, while there seems little chance of the growth in savings being significantly eroded. This year the Government is likely to raise some Fls.9bn. from the markets. But there is a strong fear that a significant portion of the finance will have to come from printing banknotes, particularly if the Government's forecasts turn out to be too optimistic and the Government finds the financial plug too small for the recessionary hole. This will, of course, pile costs on industry's head by making labour more expensive because of the indexing of wages to the cost of living.

The implications of all this is for a structural increase in central government expenditure, excluding anti-cyclical programmes, of some 8 per cent., it is calculated. It seems certain that some of the specifically anti-recessionary measures will become permanent, like the subsidy on employers' social security contributions, because of the need to hold back industrial costs (this subsidy should allow a marginal increase in profitability to the corporate sector).

The situation is made more difficult because of the commitment of the Government to further measures in the industrial field demanded by the trades unions. In particular, the coalition has promised to introduce measures to cream off "super" profits into a fund under trade union control to be used for the benefit of the workers and to alter the constitution of works councils within companies so as to remove entirely management representatives. Although these measures are still vague and clearly have a sticky legislative passage in front of them, they are taken by industry to be a token of a basic hostility on the part of Government towards its needs—a hostility which the Government lacks the political manoeuvrability to suspend. Indeed, the price for union moderation in the economic battle—the agreement to settle for a standstill of purchasing power for the average worker—is a renewed Government commitment to the ideological battle to underline the word social in Holland's social, market economy.

David Curry

New values

CONTINUED FROM PREVIOUS PAGE

with the outside world. Holland took the lead in freezing Greece's relationship with the EEC when the colonels brought off their coup and more recently was insistent on the need to put a halt to negotiations with Spain in the wake of the recent executions. It has sponsored the cause of EEC aid for Portugal and for an expansion in assistance to the Third World (The Netherlands in 1976 will devote 1½ per cent. of its GNP to aid). On the home front, The Hague is strongly committed to direct elections to the European Parliament (the plan was drawn up under the chairmanship of a Dutch member of the Parliament).

It is also worth noting that the EEC Common Agricultural Policy is not exclusively for the benefit of inefficient peasant farmers. The Dutch are the EEC's largest per capita recipients of EEC farm cash and major EEC food exporters, and the combination of industrial and agricultural efficiency can lay strong claims to being unique in the EEC.

The Netherlands is rich, productive, stable and free. No one doubts that it will remain so, but the extent to which these qualities will remain dominant in Dutch life may well be up for test in the recession as much in Holland as elsewhere. Complaints that an essential equilibrium and tolerance in life are being eroded are persistent: the economic growth which is frequently the lubrication for social and political tolerance has stopped and there are indications that some of the reverse is structural not temporary.

Even without a recession the country's rapid changes in social values would now have begun to alter the basis of political and economic stability. Coping with this second generation of change may be the next test for the Netherlands' still traditional tolerance.

The energy debate

-RE CAN be few people -have not realised by now Holland is fairly well off -rms of indigenous energy, -ks to the giant onshore gas at Slochteren in the -ingen province. The -try's energy imports are -ively low, the balance of -ents is quite strong and guilder remained a hard -ency even at the time of Arab oil embargo on Hol-

The income from home foreign natural gas sales been very considerable— over Fl.5bn. this year— should rise further next as more price increases effected.

-ther less well-known, how- is the certainty that -h gas production will be -ing its peak in 1978, after -h output should tail off. -nd's gas export commit-, just over half of total this year, remains un-ged until around 1990. a modest decline at first, -h gas production will be -ng down more significantly -e early 1980s. This situa- should then begin to take toll in the form of a -ioration of the balance of -ents as a result of rising -y imports and the -ishing income from gas

-e wisdom of the Govern- in spending much of the gas income on reflationary measures to raise consumer spending rather than modernising production and on productive investments is debatable. But its Energy White Paper at least indicates its concern over the energy prospects and contains proposals for a policy shift. It now aims to cut down, rather than expand domestic use of natural gas, and accepts that dependence on oil will rise again. Moreover, Holland should have important nuclear power capacity by 1985.

The Economics Ministry is forcing industry and the power stations to use oil again instead of gas wherever possible. Gas, it is felt, should be reserved for "high-value" applications only, such as raw material for processing. It is hoped to cut the depletion rate of the Dutch gas reserves in the coming years — oil production in Holland amounts to less than 5 per cent. of total energy consumption and coal production has ceased altogether, although the Government is in favour of stepping up coal imports to diversify its energy dependence. In the Energy White Paper, the Economics Minister, Mr. Ruud Lubbers, refers to the building up of what he calls a "strategic" reserve of gas as essential.

The Government is also eager that gas and oil exploration should be stepped up in the North Sea; some of the smaller finds have now become commercial. This is the result of the rising gas price — no worthwhile oil discoveries have been made — the possibility of linking minor finds through common pipeline carriers, and also the fact that the Dutch North Sea gas has to be mixed with the Groningen gas for it to be suitable for use in Dutch households. It has been argued that in view of the different composition of Dutch North Sea gas, it would not be attractive for Dutch households to use after Slochteren has run out, as all households would have to be re-converted.

Expensive

As for the Dutch private consumers, the Government's policy is clearly that greater economies are likely to be achieved if the gas is made more expensive. The export contracts governing sales to W. Germany, Belgium, France, Italy and Switzerland have almost all been revised recently, as prices had not kept up with the sharp increase in the price of oil.

The Government would also like to terminate the contracts but all are on a long-term basis (around 20 years) covering sales of in all just over 900bn. cubic metres, almost half of Holland's proven gas reserves. Most of the contracts, however, were signed in 1966-67 at a time when the worry was how to get rid of the gas as quickly as possible while there were no energy problems in sight.

On the home side, industry accounts for about one-third of total energy consumption. Its main source of energy is the gas, more than 40 per cent., while the chemical industry takes up in all more than 40 per cent. of the overall energy consumption of Dutch industry.

The Government is committed to take a final decision before the end of the year on the phased construction of three large 1,000 MW nuclear power stations, which would all have to be in operation by around 1985. A decision on their locations should be taken no later than in 1977 and three studies on the safety and risk aspects of the project were submitted to Parliament last September. There is still some fierce opposition to the Government's nuclear power proposals in certain Left-wing quarters, but signs from The Hague are that the programme will go through, though possibly with some delay.

Typical of this situation is that when a major gas find was announced at Ameland Island in October, an immediate reference was made to the nuclear power programme by the Government. Two Socialist MPs claimed to have "very reliable information" that the Ameland gas field was very much larger than official sources had let out and the MPs immediately stated that if the gas find was indeed of a great magnitude, the Government should postpone its decision on the introduction of nuclear power.

The Energy White Paper has said that the share of natural gas in Holland's total energy consumption is now about 50 per cent. This share will be reduced in future, dependence on oil will rise and the various Dutch North Sea finds will do little to change the situation. The Economics Ministry has said that the currently known gas reserves of a little over 2,300bn. cubic metres should be depleted by around the year 2000 on the basis of the current annual depletion rate of about 5 per cent.

It is ironic that as a result of the heavy gas export commitment—total gas sales will amount to about 97bn. cubic metres this year, of which about 50bn. cubic metres will have been exported—it has been necessary to sign a number of import contracts. The earlier estimated shortfall in supplies in domestic gas supply of about 10bn. cubic metres in the early 1980s will be countered by gas purchases from the Dutch and the Norwegian sectors of the North Sea.

Negotiations by Gasunie, the part State-owned Dutch monopoly gas distribution company, with Sonatrach of Algeria on the possible import of liquefied natural gas are still in progress.

The Government itself wants to raise its option in offshore gasfinds from 40 per cent. to 50 per cent., while it would also like to be able in future to participate in any oil finds. No commercial discoveries have been made so far, however.

Although the Government appears to have effectively settled its short-term energy supply problems, the same cannot yet be said of the important longer-term implications for the national economy of the imminent change from a net exporter of energy to a sizeable importer.

Michael van Os
Amsterdam Correspondent

A poor year for industry

-N INCREASE in orders -ndustry is one of the first that economic recovery is -r way, then Dutch industry -des bleak news. Produc- has continued to stagnate the volume of incoming -s does not suggest an improvement. In manu- -ring — excluding natural -nd public utilities—a pro- -ced production decline has recorded.

-its so-called macro- -mic reconnaissance, pub- -l in September, the -al Planning Bureau said -ected the volume of indus- output to decline by 3 per this year — the first fall -ded since the end of the -after a rise of 3 per cent. -74 and 4 per cent. in 1973. -next year, the CPB expects -ction to recover again, -sing by 4 per cent. How- the Bureau revised its -ast of next year's world growth down from 8 per to 5 per cent., and in of Dutch industry's strong -dence on exports, it is still -tain what the new fore- will mean for Dutch pro- -on next year.

-e half-year results reported -utch concerns have shown -effects of the continuing -sion. If conditions persist, -ll the signs are that they for this year at least, a part of Dutch industry be reporting a final loss year. The few sectors have achieved better average figures include -lised machinery construc- pharmaceuticals, and the -cial sector.

- a result of cyclical and -tural problems, and of the -ional burden of the extra -tment needed—despite the -nt rate of inflation — to environmental require- -s and for energy and raw -rials cost saving techniques, -h industry is faced with -r financing problems. The -rnment has rejected across Board aid measures, con- -ating on the individual -anies, a policy that has supplemented by the pro- -n of risk capital in the of subordinated loans for -stry. Much of industry has been hit in export markets -he substantial revaluation -e Guilder.

-rious sectors of Dutch -stry have been or are being -uctured at the moment to -uard or improve the com- -ive position in the future. Government is now pre- -d to give subsidies of 20 cent.—occasionally more— -e total cost of a develop- -or restructuring project. -e project involves recycling -verseas development, the -dy rises to 25 per cent.

-e building sector continues -e the main problem area, -nting for nearly a quarter -he country's unemployed. -as been subject to several -rnment stimulation pro- -mes, and efforts are also -g made to speed planning -edures for building projects as well as to bring forward Government schemes. A difficulty is that the domestic market, which is small in any case, is reaching saturation point. On the other hand, building companies had long ago stepped up their activities outside the country, and they have also been quick to seize opportunities in the new Middle East market. Companies such as Ballast-Nedam and Stevin have been awarded giant contracts, which also benefit a host of Dutch sub-contractors.

Another sector of industry which has been in the news recently is shipbuilding, which employs around 50,000 people, including a great many foreign workers. Although this is probably the only industry whose trade union—the NVV Industrial Union—is calling for nationalisation, the Government firmly believes that the whole industry should be restructured. Financial aid will be forthcoming for the various reorganisation programmes, and shipbuilders may be getting some sort of undefined aid in obtaining new orders; eventually the industry will have to do without subsidies.

Proposals

RSV, by far the country's largest shipbuilding concern, was created a few years ago as the product of a restructuring of the sector building large and medium-size ships. The Rotterdam-based company is currently discussing proposals aimed at restructuring its own shipbuilding activities in the light of the changing world market, and the number of jobs in that sector may have to be reduced by more than 2,000. The group has other sources of income, however, such as heavy engineering and nuclear components manufacture, and it won valuable contracts in the Navy construction and offshore sectors. However the slump, especially in the supertanker sector, from which RSV traditionally derived a major share of its income, has affected results.

The cyclical decline has greatly affected the steel sector. Here, Hoogovens—the Dutch arm of the Dutch-based Estel Dutch-German steel company—is the dominant concern. It has had to introduce extensive short-time working at Hoogovens and several subsidiary plants, but longer-term prospects are better. The expansion of steel industry capacity in general will, at least in the next few years, lag behind the long-term growth of demand in that sector. With an eye to the future employment possibilities in and around Ijmuiden—the Hoogovens base—and the environmental implications, a working group is now studying the scope for expansion after 1980, and a report will be submitted to the Government next year.

Estel is likely to make a loss this year—after reporting a loss of Fls.50.2m. in the second quarter—and the turnround in the steel sector is reflected by the fact that the company managed almost to double its net profits to Fls.322.9m. in 1974. Unlike the position in 1973, it is now the Dutch arm of the company that is contributing most to losses.

As regards the oil and chemical sectors, the current picture is not much better. Indicative is the situation in which the many refineries in the Rotterdam area have found themselves. In a recent speech, a Shell director said that, according to a rough estimate, refineries in Holland had lost no less than Fls.150m. in the first half of this year. Average capacity utilisation is no higher than about 60 per cent., even though the plants supply a whole range of European countries. No chemical expansion projects have been announced except by Shell at Moerdijk, by ICI in the Rotterdam area and by Down in Zeeland Province. Hoechst Holland expects to suffer a loss this year after ending 1974 with a net profit of Fls.42.6m. The company said in its financial statement published at the end of October that signs of some sort of recovery were being seen in some sectors, although these were not yet expected to have a favourable influence on results for this year.

Despite Holland's small size, the country is also a force in the aerospace business, largely through Fokker, the Dutch arm of the German-Dutch VFW-Fokker aerospace concern. Fokker has seen sales of its F-27 turbo-prop passenger aircraft develop very well, and sales are concentrated in the developing world. With Government support, the company has concentrated on aircraft for short and medium distances, and it is now working on a possible successor to the F-28 civil jet liner, with a Government subsidy. The company has hopes that that aircraft may be a "European aircraft" of the 1980s, with other European aircraft manufacturers sharing in it. Fokker hopes to have calculated early next year the extent of the work involved on the construction of the U.S. General Dynamics F-16 fighters, which have been purchased by a number of NATO countries, including Holland. Although the Dutch Government is a keen supporter of a European aircraft industry, it has itself been prepared to put money directly or indirectly in a number of international projects such as the Airbus, the VFW 614 and the SD 3-30. It has also pledged actively to support the reinforcement of national aircraft building.

In the heavy engineering sector, the largest company, VMF Stork, says that despite the recession it is likely to maintain results at the last year levels. It reports a major rise in incoming orders and has not found it necessary to introduce short-time working.

Michael van Os

Low cargo levels

HOLLAND'S transport industry is feeling the pinch of the international recession. In the main Dutch seaports of Rotterdam and Amsterdam the lack of activity has become very evident and is reflected in shorter working times at leading stevedoring firms such as Seaport Terminals, Frans Swarttouw and Mass-Rijn. Transport can be reckoned to mirror economic activity and turnover in the seaports, in Rhine shipping, in road and rail transport clearly shows that international trade is still seriously stagnating, with recovery not yet in sight.

Seaport Terminals, for example, one of the "big four" stevedoring groups in Rotterdam, started to feel the recession in the first quarter of 1975, when it handled 10 per cent. less tonnage than in the corresponding period last year. In the second quarter, the decrease was as much as 20 per cent. Though there was some general optimism that business would pick up after the holiday period, the contrary happened and in the third quarter the group reported a decline of up to 30 per cent. in comparison with 1974. According to Seaport Terminals, the stagnation is occurring in all goods, but notably in export cargo from W. Germany and Holland such as iron and steel.

In inland transport, the poor traffic has resulted in a scramble for cargoes and in a stiffening of competition. Road hauliers and lightermen are fighting for every bit of business going and this has further drained the already marginal incomes for many of them. According to the latest report of the *Commissie Vervoervergunningen*, the Dutch authority which grants the transport concessions to inland transport companies, more than half of the hauliers are showing a gross profitability of less than 25 per cent., which is considered the break-even point.

Last summer the authority introduced a "tonnage stop," in order to prevent a further increase of overcapacity in trucking, by freezing the granting of new concessions. At the same time, official control of trucking was intensified to prevent illegal driving.

Road transport in Holland is, as in other countries, dominated by small and very small companies. Of the 11,850 firms registered on January 1, last, 36.5 per cent. had just one lorry and 15.5 per cent. two. In the 3-5 lorry category were 23.5 per cent. of the companies, which means that less than one-quarter of all firms have more than five vehicles. However, these operate more than 65 per cent. of the whole for-hire road fleet in Holland, which shows that road transport is finally moving towards larger groupings.

From the management angle, there is a considerable gap between the bigger and smaller road haulage companies. The bigger—many of which are owned by shipping or stevedoring groups or foreign groups—are mostly specialists in certain goods or traffic. Others sell physical distribution concepts in order to avoid the cut-throat competition of their smaller counterparts, which often can afford to offer lower prices as they operate on lower economic and social standards.

Tachograph

These lower social standards of many small transport companies induced the Government last year to speed up the compulsory introduction of the tachograph, the instrument for monitory working and rest hours, mileage, etc. The idea of Deputy Minister of Transport, Dr. van Hulten, is that those companies which *do* follow social regulations, must not be placed into a position where they are priced out of the market. His view was shared by trade unions and the bigger haulage firms, but at the time resulted in road blockages by angry lorry drivers, who feared that less working hours would mean less income. Since then negotiations on new social conditions in road haulage have got off the ground.

In inland shipping, the situation is much the same as in road haulage. The latest available figures show that out of a total of 6,000 inland shipping "firms," 5,400 had only one vessel. Small companies with up to three ships account for 85 per cent. of the number of vessels and 75 per cent. of the tonnage of the Dutch for-hire barge fleet. These figures include relatively many older and smaller vessels, while modern push barge units are mostly in the hands of the bigger Rhine shipping companies.

Fierce competition from the single ship owners, operating their barge with family members and no hired labour, is often felt to be the main obstacle to greater exploitation by bigger companies, the latter having to cope with rising labour costs and fleet modernisation. In Rhine shipping, the main source of income in Continental inland shipping, the water level is another uncertain factor in operations. High water means that much extra capacity can be added to the international Rhine fleets, which results in even more competition and lower freights.

Most of this year water has been abundant, while business has been poor as a result of the economic depression. Ore supplies—a major Rhine cargo—decreased following the crisis in steel industry. Poor traffic in building materials reflected a similar situation in the construction industry. Rhine tanker owners felt the pinch of the depressed oil market and the mere 50-60 per cent. capacity use of most Rotterdam refineries. At least two of the bigger Rhine shipping companies have stopped trading.

Paralysed

The actions by Dutch bargemen which last August virtually paralysed the ports of Rotterdam and Amsterdam can basically be explained by this poor economic situation—a situation that led to the prolonged barge stoppage in Belgium as well. The direct motive for the Dutch action can be found, however, in another unpopular measure of Dr. van Hulten.

He argued that real modernisation of the Dutch inland shipping fleet could only be achieved through more direct relations between bargemen and their principals in trade and industry. But part of the domestic traffic is obligatorily traded through the network of traditional shipping exchanges—and the bargemen argued that the shipping exchanges are nowadays their only guaranteed source of income anyway. Dr. van Hulten's proposal was eventually rejected by Parliament and the situation remains as it is, with probably some greater future emphasis on the shipping exchanges.

Finally, the economic recession is also being felt in a third part of the inland transport system—the railways. The Dutch State railways have just announced that total cargo in the first six months of 1975 was only 8.8m. tons, 2.4m. tons down on the first half of 1974. The decrease showed in all cargo categories—even containers, which for the first time went down by 25 per cent. If it is true that there is a latent overcapacity in inland transport which for years has been cloaked by the continuous traffic growth, then the recession has certainly thrust it into the open.

Harm Leerin
Het Financieele Dagbl

The financial sector

COMPARED WITH the rather gloomy position of Dutch commerce and industry, the news from the financial sector is somewhat better.

As far as the banks are concerned, profits have generally shown marked increases in the first half and most are expecting continued growth for the rest of the year. Algemene Bank Nederland (ABN) saw profits, before provisions for general risks, go up 45 per cent. in the first six months; Amsterdam-Rotterdam Bank, aided by the profits from its recently acquired banking house Pierson, Heldring en Pierson, recorded pre-provisions profits which were up nearly 25 per cent. of the smaller banks. Ned. Credietbank saw pre-provision profits rise 14 per cent.; those of Ned. Middenstandsbank went up 23.5 per cent. and of Salvenburg 21.4 per cent.

Among the mortgage banks, the largest company, Westland-Utrecht, saw profits before tax and provisions rise 11.2 per cent. in the first half, largely thanks to the demand for mortgage loans. Friesch-Groningsche noted that pretax profits were up 26 per cent. and both companies expect earnings to show up satisfactorily for the rest of the year.

In the highly competitive insurance sector, results have been somewhat less impressive compared with the corresponding period last year, but profits are expected to be similar to or slightly up on 1974. As in the banking sector, a number of insurance companies such as Amev and Ennia and the smaller Stad Rotterdam announced rights issues this year. The insurance companies have also continued their moves towards diversification so that clients can be offered a more complete range of financial services. These non-insurance activities include personal loans, mortgage finance, computer services and property.

In the insurance sector, as in most other countries, profits are made mainly in the life sector—in which certain Government-instigated developments are ahead in the pensions business. General insurance underwriting results showed losses last year—though an improvement is expected this year. Merger activity, certainly among the larger companies, appears to have come to a halt after the spectacular acquisition of Delta-Lloyd by Commercial Union. The most recent development was the establishment of closer ties by the Ago/Interpolis Association and the Rabo Bank.

Lending

Returning to the banking sector, the situation is that although earnings have been satisfactory in the first half-year its lending involvement with industry is strong and the industrial recession is therefore a matter for concern. The problem was summed up recently by a banker who said that while there was increasing talk that the Government was more and more "moving into the entrepreneur's seat," it was in fact the banks which were moving in that direction—and they certainly did not want that sort of responsibility.

The banks are subject to the central bank's liquidity requirements which compel them to hold in reserve a certain amount of their resources against loans granted to the private sector without sufficient collateral. The problem is that the growth of the banks' own resources has not kept pace with the growth of lending. As a result, banks have been compelled to eat into their reserves and some have come close to the minimum capital level. There have been a number of rights issues.

ABN said earier this year that "the major problem for the banks was the deterioration of the banking system itself." It was making the banks less ready to grant loans. But whereas various Government institutions have stepped their aid to Dutch industry—concentrating aid on companies in temporary financial difficulties—with measures including up to Fls.500m. of subordinated loans—the financing of industry remains a problem, particularly for the smaller banks.

On the subject of the investment climate in Holland for foreign enterprises, a Dutch banker has noted that foreign companies were welcome in Holland. But they were much more welcome, he said, if they brought their own financing.

Commenting on industry's problems, the Government Central Plan Bureau said recently that profitability in industry had been low and, compared with the level of investment industry had been accustomed to in the 1960s, investment activity has become much weaker. Besides falling profits, the second reason given was the increasing demands made on companies' cash flow by replacement expenditure. The latter process has contributed to the worsening of the employment situation.

It has also become more difficult to employ external sources of finance in view of the poor trend of company earnings in recent years, which have caused the ratio of loan capital to equity to reach dangerous levels in many cases. In an economic commentary, Bank Mees en Hope said that the fact that industrial investment has nevertheless remained at a high level in recent years, relative to the modest growth of production, was due largely to the more rapid pace at which obsolete machinery has been replaced. This process continued to be the result of companies' efforts to bring back profitability—reduced by the rapid increase in labour costs in real terms. "Measured on the basis of the share of wages in business income, the attempts can hardly be described as a success," Mees en Hope said.

After the big amalgamations in Dutch banking sector, during which ABN acquired Mees en Hope, preceded by the AMRO acquisition of PHP, further concentration is not considered likely. With their relatively modest income from retail activities, the smaller banks have found it essential to co-operate with the larger banks to ensure future expansion possibilities.

Ironically, the largest concentrations have been completed prior to the introduction of a Bill under which mergers, acquisitions, participations and operations in general by the Dutch credit sector will be subject to stricter Government control. The small institutions in particular will be noticing the impact of the Bill in future.

Meanwhile, further news is awaited about the establishment of the State "Postbank," which may be located in Amsterdam. It will be developed from the Post Office, the State Postal Savings Bank and the Post Cheque and Giro service.

The commercial banking sector has rejected the Postbank as superfluous in view of the strong competition which exists already and the ample services available to the public. It fears that the Postbank, despite official denials, may receive preferential treatment in some respects from the State. However, the private banks, which have already tempted many customers away from the Government financial institutions, are confident that they will be able to counter the Postbank's competitive threat in view of its rather limited experience in the initial phases at least.

As far as the Amsterdam Stock Exchange is concerned the management there has been able to report that turnover reached Fls. 18.4bn. in the first three quarters of this year which was at least Fls. 6bn. more than in the corresponding period last year. The Exchange, which is further extending its process of modernisation of procedure and raising of efficiency, is now carrying out a study into the possibility of establishing an option market in Amsterdam. Following an exploratory study it has been decided to start working out plans.

Michael Van C

The Executive's World

EDITED BY JAMES ENSOR

Ilsa Sharp reports from Singapore on the complex history and possible future of Haw Par

The Slater Walker style failed to impress

WHY ARE local sensitivities on Haw Par so delicate? A look at its history gives the answer. Two Chinese brothers of the Hakka dialect group took over their father's Aw Boon Par's small pharmaceutical business in Rangoon, after he died in 1908. The brothers, Boon Haw (*which means tiger*) and Boon Par (leopard), marketed pharmaceuticals ranging from medicinal oils to breath fresheners, the biggest seller being Tiger Balm, a cure-all cream used for anything from headaches to mosquito bites.

The almost magical qualities attributed to the name Haw Par can best be comprehended in *the context of Tiger Balm—the* tiger has a special place in Chinese folk mythology, being a symbol of protection. In the highly developed Chinese "science" of geomancy, known as Feng Shui, the tiger and the *dragon are among the elements* which control good and ill fortune, dictating which way a factory window should face or where a grave should be situated for maximum luck. Tigers are displayed on doors and bridges as a safety measure. Tiger Balm was reputed to in*corporate magical ingredients* such as tiger's tooth.

Within 20 years, the Aw brothers found themselves at *the helm of an empire, with* 40 plants in China and South-east Asia producing the balm —an uncharitable and unproven rumour has it that they really made the money by smuggling opium, its pungent odour disguised by the sweeter-smelling tiger balm. In 1926, they moved from Rangoon to Singapore, and by the 1930s had *diversified into newspapers,* banks, and property. They *became well-known philan*thropists and built the horrendously vulgar but popular Tigar Balm gardens in Singapore and in Hong Kong, Asian Disneylands where plaster figures and tableaux depict Chinese mythology, the Buddhist hells, and so forth.

A fact not usually trumpeted by Haw Par when its associates in Hong Kong are engaged in *China trading is that* the Aw brothers threw their full finan*cial weight behind Chiang Kai* shek's Nationalist Kuomintang regime in 1937, putting a $40m. cash deposit into the Bank of China and donating $10m. to hospitals in China. But in 1948 Aw Boon Haw died and Haw Par lost 42 factories, along with other assets confiscated by the new Communist regime in China.

With the death of Aw Boon Par in 1952, business began to flag. Aw Cheng Chye, son of Boon Par, created a new company, Haw Par Brothers International, and floated public shares in 1969, with himself as *managing director and chair*man. But the 20p shares fell to only 12p soon after and the £6½m. company made a pre-tax profit of only £200,000 for the half-year ending December 31, 1969, and £¾m. for the whole of 1970. Despite these misfortunes, Aw Cheng Chye doggedly continued the *family tradition* of never turning away anyone seeking a charity donation. But it was clear that modern management was needed.

This was the company that Jim Slater of Slater Walker Securities, or more specifically, his lieutenant Donald Ogilvy Watson in the merchant banking division, found in 1969. Watson had been in Singapore with Cooper Brothers organisation in 1967 and 1968. Slater Walker, already expanding into South *Africa, Australia, Canada and* America, was looking for a *Southeast Asian* foothold. Watson explained the Slater move to a Singapore magazine, *Singapore Trade and Industry Monthly*, in early 1972: "It was really to gain the rump of the old Empire. This region is full of companies with close connections with the U.K., there *is a common basis of law*, a stock market and so on. . . . Singapore and Malaysia were the last part of the old Empire of any economic consequence we were not in. It made a lot of sense. I had observed companies here which were worth more than they were quoted at."

Mr. Richard Tarling, chairman of Haw Par from 1972 until 1974 with the Tiger Balm, which is its most famous product.

Slater Walker signed an option to purchase Haw Par shares in 1971 and it took 46 per cent., buying up another five per cent. on the open market. Said Watson: "*In the case* of family businesses at some stage, some members may get fed up and want to sell out. Some companies out here are very large for the available management. We can get a good man in to run a company, but a family firm cannot. I *think family businesses are* delightful—to actually own one is splendid—I'd love to own one personally.

The Chinese business community did not relish this sudden appearance of foreign strangers at the heart of one of its oldest and most illustrious family firms. They regarded the modus operandi as sheer trickery. Neither did the Singapore government approve of Slater Walker's resulting position at the helm of a small local bank, *Chung Khiaw Bank and of Sin* Poh Amalgamated (Star News), the *publisher of the Singapore* daily Chinese-language newspaper, Sin Chew Jit Poh and of the Sing Jih Pao daily in Penang, Malaysia. Political pressure was brought to bear and Slater Walker sold the newspaper in*terests back to the Aw family* for £1m., the bank to the Government-approved United Overseas Bank (UOB) for just over £4m. (UOB's chairman, Mr. Wee Cho Yaw is one of the five prominent locals appointed to the Haw Par Board by the Singapore government last week-end.

But it was this freewheeling takeover that provoked the Singapore government to set up *a Securities Industry Council* with a formal code on takeovers *and mergers — the very code* which Haw Par has been accused of breaching this year in its attempts to link up with Pernas, Malaysia's state trading corporation. Harking back to this period, Haw Par's deputy managing director and Watson's right-hand man, Ian Tamblyn, who has since resigned, said this year: "We really didn't realise what a sensitive issue Haw Par was. We have learned since to be more cautious. It has taken us two years or more to get back to normality, to change *people's preconceptions about* us."

The two newspaper and bank sales, together with a new deal with Jack *Chia's drug houses* of Australia (Jack Chia is a wealthy Thai Chinese entrepreneur) made Haw Par attractively liquid. The DHA agreement granted manufacturing and marketing rights for Haw Par pharmaceuticals, including the famous Tiger Balm, to two fifty-fifty DHA-Haw Par joint ventures—Haw Par Eng Aun *Tong in Singapore and Haw Par* Tiger Balm International in Hong Kong — operating in Middle East and Far East markets. The agreement also assured Haw Par of a minimum £400,000 annual income and left Haw Par in control of the Tiger trade mark, which it could franchise out to operators in countries outside the agree*ment. Thus was the core of* Haw Par's traditional business excised — Haw Par terminated pharmaceutical manufacturing and distribution in Singapore, Thailand, Hong Kong, Malaysia and Taiwan, closing factories and paring off workers.

Haw Par's deputy managing director and Watson's right-hand man, Ian Tamblyn, who has like Watson since resigned, hints at the local trauma this operation implied, in an interview printed in *This Singapore*, a local publication marking Singapore's tenth anniversary of independence this year: "*The people* here are far more paternal about their employees—not so very generous, but they have a commitment to look after employees till they die. Our European method is to reward sooner, provide a pension, but expect the man to retire at 50 or so. On the Tiger Balm side, there were *people in their eighties*, totally unproductive, but Haw Par had never had a pension scheme. We had to provide them with financial aid but for them, being retired was a terrible thing. They didn't want to retire, they wanted to come to work each day and put things in packets."

Now Haw Par, reconstituted as an investment holding and banking concern, was poised for a dizzying round of takeovers and acquisitions by means of share swapping. It was liquid, completely ungeared, with no assets pledged. In addition, as Watson said in 1972: "Every year we have always made bigger profits than in the year before. It is a strain on management to ensure that we make bigger profits each year —unlike other companies, it would be disastrous for us if we did not. That is our image. But it is a useful image, too, as people tend to believe what we say because of it." There was a clear obligation to follow Jim Slater's dictum: "make money not things."

Aw *family representatives* clung to the Board, but by the end of 1974 the last ones had resigned. The Haw Par was in expatriate hands, with Richard Tarling chairman from 1972, Jimmy Gammell from 1974. But consolidated pre-tax profits rose from £½m. in 1970, through £900,000 in 1971 (with a 190 per cent. increase in the second half over the first half of that year alone), £2¾m. in 1972, and £4m. *in 1973 to £5m.* in 1974. Riding on a boom stock market, *the firm's assets* reached £38½m. market value in 1972. Haw Par was able to offer bonus issues in 1971, 1972 and 1973, and ten per cent. final dividends in 1972, 1973 and 1974.

Right up to 1973, there was no sign of significant borrowing; Haw Par was still liquid. In 1972, the firm had its sights *clearly set on creating a massive* south-east Asian regional net*work—said the 1972* annual report: "The directors have formed the opinion that the most fruitful way for your company to expand is to develop as an international investment banking and property group centred in Singapore. In order to fulfil this policy, they intend over a period of years to acquire control of an active quoted associated company in each of the major countries in the Pacific area." In 1973 Haw Par identified itself more closely with the region by severing the Slater Walker link and in the same year took 29.2 per cent. of London Tin.

Thus, Haw Par became the sixth largest company quoted on the stock exchanges of Singapore and Malaysia, also quoted in London and Hong Kong. The rest is already well known. With 600 employees in Singapore alone, 2,500 region-wide, 86 subsidiaries and associates, 46 ships on the sea and *more to come, and with most* of its shareholders in Singapore, most of them "small men," Haw Par is naturally the subject of close scrutiny for the Singapore public and the Singapore government. This, together with Haw Par's history, explains why the government here will pull out all the stops to save Haw Par, while at the same time requiring retribution from those it considers guilty. It also explains why there have been recent reports of large share *movements, with some sources* in Hong Kong and London seeking half-million share blocks, a few apparently using Malaysian money.

BOOK REVIEW

Persian rugs and home-brewed beer

BY WILLIAM KEEGAN

How To Survive The Slump by Graham Bannock. Penguin *Special. 60p.*

A funny thing happened to me on my way to review this book. *My hostess said that if* any mention was made of "The Crisis" or "The State of the Middle Classes" over lunch, the *offending guest could leave by* the nearest door—assuming it had not been sold for firewood in the meantime.

Those of us who devoted our youth to joining the middle classes because we could not beat them have made the unfortunate discovery that the middle classes started losing within minutes of our arrival. But apart from moonlighting to pay the bills, and putting our children down at birth for the *AEWU and T&GWU*, we feel there is little we can do about *The Crisis.*

Offered diffident assurances that *there is light* at the end of the tunnel, we have an un*canny feeling* there is a train coming the other way. We are therefore natural fodder for any canon which purports to offer a chance of survival.

But the reader plunging his last 60p on Graham Bannock's How to Survive the Slump should be warned; in particular he should beware the subtitle. A Guide to the Economic Crisis." Coming immediately *after such an eye catching title,* that phrase raised more than a *faint suspicion in my mind that* Mr. Bannock was hedging his *bets already, before page one.*

The book is something of a *curate's egg (I take it we don't* need to go into how The Crisis *has hit the curate himself*). It seems to have been born of a desire to write that elusive best-seller which every publisher fantasises about within five seconds of meeting an economist—the perfect plain man's guide to the economy.

Superimposed on this, however, is a sort of updated version of the many books which appeared in the sixties on how to make the best of your savings. In those days the emphasis was *on maximising the extent to* which savings worked for *you; now it has switched to attempt*ing to avoid the complete *erosion of savings* within the tenure of Mr. Healey's Chancellorship.

The explanatory parts about the economy, the background to slumpflation and so on are lucidly and concisely presented, and certainly ought to be of benefit to the layman. There is also a readable guide to business cycles and the debate between *Keynsians* and monetarists.

Losses

But when *it* comes to surviving the crisis, I personally am *disappointed by this book.* The financial chapters tend to confirm what we already know—that personal investment these days is basically about the extent of your losses, and that while Persian carpets may be a good hedge—or at least provide a presentable floor—even the most valuable of non-liquid assets may not fetch a perfect price in an emergency.

Similarly, most of us already *know that we should shop* around provided we can afford the shoe-leather, and that it is cheaper to make our own beer than drown our sorrows in the pub.

If this sounds peevish, it is not meant to be. The problem is that Mr. Bannock's title raises too many hopes. Nevertheless, I wish him the best of luck: *if he sells* enough copies he will have staved off his crisis *for the time being.*

L'EXPANSION LEAGUE

The British are champions again

BY RUPERT CORNWALL in Paris

ALL, IT seems, is not yet lost. While British industry is freely written off as strike-bound, obsolete and overmanned, it is a U.K. company which, for the fourth year running, carries off the annual award by the leading *French business magazine L'Expansion* for the best all-round performance in Europe.

The victor for 1974 is none other than ICI, hardly the fledgling glamour concern that sometimes qualifies for such prizes, but in *L'Expansion*'s words: "A well-diversified, modern and dynamically managed group" whose growth and profitability were not just a reflection of the chemicals boom year of 1974 *but a long sustained performance.*"

ICI thus follows Guinness, Thorn Electrical and Courtaulds as the magazine's European champions—an astonishing list when one considers that over the period in question the British economy has been mostly struggling, *its industry* losing ground and its currency depreciating. *Now, though,* the strain is starting to tell. Weaknesses that were once only whispered about are now emerging into the light of day.

The view of *L'Expansion* is that increasingly the performance of U.K. companies reflects a high level of profitability that *is made possible only by low* investment and the slide in the pound — one of whose side effects has been to boost the value of earnings repatriated from strong currency countries.

Even figures are starting to show the way things are going. Last year, for example, Britain was overtaken by France as the winner of most medals in the magazine's profits championships, split between 14 leading *industrial sectors. Seventeen* went to French companies, 14 to British, but *curiously* only four to that corporate powerhouse of West Germany.

For a year or two yet, says editor M. Jean Boissonnat, we may manage to go on living on our laurels—more precisely on the City and from the fruits of the huge overseas investments by British companies. "Never has British industry put up such a smokescreen. Never, on the other hand, has it come so close to revealing *its* real deficiencies."

Let us then gloat while we may. M. Boissonnat admits that the yardstick used to judge the most successful companies—profits measured against capital employed—is not perfect. But, to paraphrase Churchill's remarks on democracy, if its bad, it works better than anything else.

On this basis ICI comes ninth *in the European league:* "The table is headed by the relatively unknown French chemicals company Rousselot, followed by a phalanx from the U.K.: Beechams, Thorn, Courtaulds, Glaxo, Decca and RTZ. The only other "foreigners" in the top ten are the French special steels and nuclear group Creusot-Loire and the Belgian chemical group UCB.

ICI however, comes out best because its growth in sales was more than 10 per cent. above the prevailing inflation rate, because profits grew faster than sales, and because its profitability (measured as above) topped 10 per cent. for each of the past five years. *Pipped into second* place was the German chemical giant Hoechst *which, apart from* ICI, was the only company that satisfied the conditions.

The great British paradox, *however, is not the only intrigu*ing aspect of a poll that covers a year whose second half, at least, saw the start of the severest post-war recession throughout Europe. French companies especially showed a striking ability to move against the trend: above all Renault which *stepped up car output at a* moment when its competitors *(except of course the incredible* Daimler-Benz) were in dire straits

Michelin, too, succeeded in improving its position in a bad year. *L'Expansion* (claiming reliable private sources) in fact provides the first reasonably authoritative guess at the obsessively secretive group's financial performance last year: a group *turnover of Frs.13.5bn. (£1.5bn.)* up 23 per cent., and consolidated earnings of Frs.550m. (£62m.). Its profitability of 16.9 per cent. puts it in 13th position in Europe.

For Germany it was the reverse of the British situation: A hugely successful national economy did not produce high performance companies: in part because of the scant rewards of exporting with a powerful D-mark. Rheinstahl, for example, did not even manage a profit in what was everywhere *else a memorable year for steel.*

The wooden spoon, as usual *goes to Italy, and the magazine* underlines the remarkable performance of the State oil group ENI, which alone of the world's petroleum companies managed a loss in 1974. In Italy, of course nothing is quite what it seems, and least of all company accounts designed with the taxman, rather than the potential share purchaser in mind, but *L'Expansion also remarks on* the export aggressiveness of Italian companies and their capacity to maintain investment in spite of everything.

This year will see the full impact of the business recession, and promises to be in many ways the inverse of 1974. Industries which formerly prospered, above all steel and chemicals, *are now worst off. The motor* industry, sorely tried in 1974, seems to be *gingerly* moving forward once more, though still trying to get back to the levels of 1972.

Last year was the "year of the purge," in *L'Expansion's* words, when only 53 per cent. *of the Continent's 230-odd finest* corporate flowers reported an advance in profits, against 77 per cent. the year before and 65 per cent. in 1972. All that can safely be predicted is that 1975 will be worse still.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. .. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.60 (editorial) 236.86.01 (business)
Bonn: Presshaus 11/104 Heussallee 2-10 212596
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 129037
Rome: Via della Mercede 55 .... 678 3314
Stockholm: Raalambsvägen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Toronto: 283 Ont. 6 Charles St. E. 416 921 5576
Jo'burg: 411 Sanlam Building, Commissioner Street, P.O. Box 2128. 838 7000
Sydney: 368 Sussex Street (Cnr. Liverpool Street), Box 3888 GPO 2001 Tel: 619 517, 618 773
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

TUESDAY, NOVEMBER 11, 1975

The testing months

THERE is one undoubtedly *encouraging feature* about the latest indices of wholesale prices. *Although the average* price for the output of manufacturing industry rose by 1½ per cent. in October, which was faster than in either of the two preceding months, the underlying trend continues to be a gradual deceleration in the rate of increase. The rate of increase over the past three months is equivalent to an annual rate of 12½ per cent., and this suggests that the rate of increase in retail prices will follow the same decelerating pattern over the next few months.

To this extent, the wholesale price indices for October support the more optimistic view of the prospect taken by the Price Commission in its latest annual report. This pointed out *that the rate of increase in both* wholesale and retail prices, after averaging out the *month-by-month* figures to reduce the *effect of bunching and other* special factors, had been coming *down* since the *spring* and that this—coupled with the Commission's *own index based* upon price notifications received *from industry*—suggested that the rate of inflation might at last be slowing down. There was now good reason, according to the Chairman, to hope that the sort of year-on-year increases in the retail price index experienced during the summer were now a thing of the past.

Raw materials

But the Price Commission *issued a warning at the same* time that progress towards a *tolerable rate of inflation was* unlikely to be uninterrupted. In the first place, the full effect of the large wage increases granted in the *spring* and early summer, before the voluntary ceiling on wage increases was introduced, has yet to make itself felt in retail prices: it is still working its way through the chain of manufacturing and distribution. In the second place, retail prices have yet to reflect the sharp rise in material costs experienced by industry for some months past—itself in part a result of domestic inflation and a consequent worsening of the exchange rate.

The wholesale price indices which refer to the input costs rather than the output prices of manufacturing industry give *fresh emphasis to this second* point. Food costs, which are particularly important because of the weighting of food in the retail prices index, rose quite sharply in October, even if much less sharply than in August when they rose by 7½ per cent. in a single month. There is reason to expect that this index will continue to rise for some months to come. Meanwhile, the rise in other raw material and fuel costs accelerated in October, mainly through the combination of a *higher price* for crude oil with a further drop in *the* dollar exchange rate; and this brought the *month's total increase* in industry's raw material and fuel costs to 3½ per cent.

Price/Wage gap

The rise in the price of oil *alone* accounted for the greater part of the latest increase, which must therefore be regarded as exceptional. But the fact remains that the average increase over a year ago in input prices during the past three months has been fairly large, for one reason or another, in the case of non-food as well as food materials, and the Department of Industry's comment refers not only to the drop in the sterling exchange rate but to "signs of an end to the decline in world prices of semi-manufactured goods." The effect of this increase in outside costs will be offset as the pay ceiling comes into full effect and still more later as production begins to rise again.

But there may well be a period in the spring of next year when the gap between the rise in retail prices and the rise in consumer purchasing power is growing markedly wider. However temporary, this must put a strain on the *continuance* of the present voluntary *incomes policy at just the time* that negotiations about the next and more *flexible phase* are beginning to reach the serious *stage. The Government's determination* to maintain the broad *direction of its current* economic strategy, and to im*pose at the same time more* effective restraints upon the *growth of* public expenditure, will then provide a crucial test of its ability to give priority over other aims to the strengthening of the country's industrial base.

Conflict postponed in the Sahara

KING HASSAN'S surprise decision to halt his country's massive popular march into Spanish Sahara can only be seen as a serious setback for the Moroccan regime. The King had gambled that, in the light of the Spanish government's known desire to give up its colonial position in the Sahara, he could *bring about a peaceful take-over* of the country. That gamble went seriously wrong when Prince Juan Carlos assumed the powers of head of state in Spain, and King Hassan will need a lot of luck and skill if his adventure in international power politics is not to backfire on his standing at home.

His dilemma is whether to risk serious loss of face by dispersing the marchers, or to keep them massed on the Moroccan border in the hope that some*thing will turn up, perhaps by* negotiation with Madrid, per*haps by the intervention of the* UN, which would lend some credibility to his claim that the march had already been a success. Neither option looks very attractive.

Firmness

From the point of view of Juan Carlos, the Moroccan decision to reverse the march is something of a personal vindication of his refusal to be browbeaten. His firmness in dealing with a potentially explosive situation must have strengthened his position with the Spanish armed forces; the Prince has yet to face up to the problem of possible confrontation or compromise with opposition groups inside Spain, but it is perhaps fortunate for him that his first policy problem is concerned with a (marginally less complex) confrontation abroad.

In one sense his options have widened as a direct result of the *halting of the march.* The Spanish general staff has long been hostile to the idea of a war in defence of a territory which the government intended to give up anyway: the army's face has been saved by the success of its bloodless confrontation, and in the last resort the Prince could probably get away with a unilateral abandonment of the Sahara if no *negotiated withdrawal seemed* to be available.

From an economic point of view this would be very much a last resort, since it would mean abandoning the enormous phosphate deposits at Bou Craa. But it seems clear that Madrid is giving top priority to the politico-military aspects of the problem, with economic considerations taking second place.

Claims

The next day or two may test whether it is after all possible for Spain to negotiate with*drawal in the face of rival and* conflicting claims by Morocco, *Algeria and Mauretania. Until* very recently it looked as though Spain and *Morocco* might be close to agreement which would share the territory between Morocco and Mauretania while retaining Spanish access to the phosphates. But Algeria's role as a major supplier of natural gas to Spain gives particular weight to its demand for self-determination in the territory, and its active support for the Polisario independence movement makes it difficult to suppose that a bilateral Spanish-Moroccan deal would be very stable.

One way of squaring the circle would be to recognise the principle of self-determination, but to include among those entitled to vote the relatively large numbers of nomads who live in Morocco but have traditional *ties with the Sahara.* Yet even the Algerians could see that this would *merely* be a way of giving King Hassan a *majority, and it would there*fore be premature to assume that the halting of the *march* has averted an armed conflict.

Angola to-day achieves independence. **Bridget Bloom**, in Luanda, examines the acute problems it faces.

Spectres raised by Angola's failure to find peace

UNLESS THERE is a sudden miracle, Angola, by far the richest of Portugal's colonial possessions, will to-day be formally independent, with three warring liberation movements claiming to be the *rightful government.* It will be the first time in Africa at least that a *colonial* power has left without recognis*ing a successor government* and also the first occasion that an *African country* "celebrates" independence plunged in a civil war in which, already, there is foreign power involvement. It hardly needs saying that the potential consequences — for Angola, for Africa and for the world at large—could be grave.

Miracles happen rarely. In the last two weeks the Organisation of African Unity (OAU) has been trying hard to persuade the three Angolan movements to patch up their differences. There have been talks about a ceasefire; the neutralisation of the capital, Luanda; the formation of a provisional Government of Unity; and the possibility of an OAU peace force flying into the war-torn country to separate the combatants.

It is a brave attempt to salvage something, at the last moment, from the ruins of 18 months of decolonisation and almost 500 years of Portuguese rule, but it seems unlikely to work. The time is too short; the fighting is too fierce; and the movements—along with their foreign supporters—seem too committed to a continuing struggle for power.

A prize to be fought over

There are, however, very few certainties in Angola to-day. Perhaps the only one is that Angola is a prize to be fought over: its 4m. people live in a country of great agricultural and mineral potential. Until recently the world's third largest coffee producer, Angola is already exporting oil, diamonds and iron ore and among its so far untapped resources is uranium. The country may actually have *greater potential wealth* than Zaire—and it has less than a quarter of that nation's population.

As it *faces independence*, the two central questions stand out, centring *on this great wealth.* The first is whether the three Angolan movements each fighting now, will be determined to *fight in the future*, for possession of the whole country, *refusing the possibility of dividing* it between them. The *second question is whether the* rest of the world, and particularly those countries aiding, arming and even providing man*power to the three movements,* are determined to go on until one or other of their "clients" wins; or whether they will use their undoubtedly great influence to urge the three movements into some form of *compromise government.*

For the moment, it looks as *though the answer to the first* question is that each of the *movements is fighting to control* the whole of Angola. None of their leaders has ever advocated secession and all subscribe to the convenient (and practised—for there has never been a successful secession in independent Africa) OAU doctrine of the inviolability of inherited colonial frontiers.

Impossible to be categoric

This does not mean, however, *that* all three movements are equal, or have an equal chance of achieving their objective. It is impossible to be categoric about the relative political or military strengths of the three. However, most observers would agree that Unita—the Union for the Total Independence of Angola—is militarily and probably organisationally the weakest and that militarily the other two—the Popular Movement for the Liberation of Angola (MPLA) and the National Front *for the Liberation of Angola* (FNLA) have about equal strengths. *Unita probably has* some 3,000-4,000 men actually *armed (though more in* uniform) while the MPLA and FNLA *probably have about* 20,000 each.

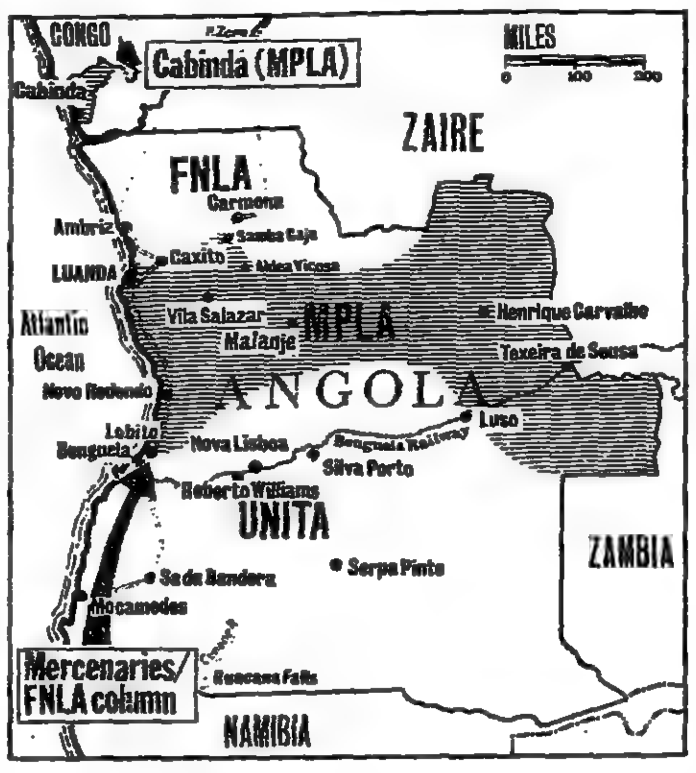
That is where the similarity between the two major movements *ends. They are different* ideologically, in their grass-roots *support, in* the geographical and "*tribal*" base of that support, *and in their foreign allies.* One of the central facts in Angola to-day is that the two major movements are so different that there seems little possibility of a compromise between them.

The MPLA, marginally the older, draws its support primarily from the towns and particularly from the workers *and intellectuals.* It has backing from the Kimbundu peoples *in Central Western Angola,* while many of its leaders are *of mixed—coloured—race.* Of prime importance is that it is *the most ideologically moti*vated of the three movements. *It is too early to tell whether* it will turn out to be as *Marxist as its counterpart in* Mozambique, Frelimo: there are *currently believed to be dif*ferences of emphasis between *the top leadership of the Party,* as well as between the Party *and the armed wing FAPLA.* But in terms of economic *policy, as well as social organi*sation, it is Left-wing Socialist. *Its main foreign ally has long* been the Soviet Union.

In comparison with MPLA, the FNLA, though openly committed to a *capitalist economy,* is without an ideology. *Originally FNLA was a party of* the Bakongo, the Northern Angolan tribe which crosses *into Zaire,* where it has long been based. Until very recently, *the FNLA had little support in* the south. Last year, however, *it was joined* by a dissident faction of the MPLA led by the *southerner Daniel Chipenda,* who appears to have played an *important* role with the FNLA leader Holden Roberto in assembling the mercenary force which in the past two weeks has captured several important southern towns.

Unita, as the weakest movement, seems condemned to be in alliance with one or the other, although since it is clearly aware of the danger of *being swallowed* by them, it has moved cautiously. In September it was *in discus*sion with the MPLA; now, it *seems, it has a temporary* and probably uneasy alliance with the FNLA, at least in the south. Its main advantage is that its leader, Dr. Jonas Savimbi, has apparently a great deal of support among the Ovimbundu, the 2m. or so strong group of peoples in the south. Its other advantage—that it was hailed as a compromise party by many of the 400,000 whites who were here—has now evaporated since the white population has dwindled to possibly no more than 15,000.

However, the twin reality of *Angola now seems to be that the* two large movements are deter*mined to fight on for the posses*sion of the whole country. *Whichever way Unita goes,* no one here believes that there is *any real possibility of immediate* compromise between MPLA and *FNLA. But—and here is the* most vital point of all in the cur*rent situation—neither is strong* enough militarily to beat the *other without major help from* outside.



Thus, the importance of foreign involvement in Angola—actual and potential—is immense. It is not new, of course, in that each movement had its foreign allies when it was a guerilla organisation. The FNLA had its weapons mainly through Zaire which obtained them through Western, principally U.S., sources and finance. (China became a supplier only after Zaire's President Mobutu visited Peking in 1973 and its main motive, at least until now, has been anti-Soviet rather than pro-FNLA.)

The MPLA's main supplier has been Russia. Unita, in *guerilla days,* principally picked up Portuguese weapons, but *has more recently been armed* through Zaire and possibly through South Africa. It has also had Zambian help. (All three movements have also benefited from arms abandoned or handed over by the Portuguese army.)

But with the escalation of the *civil war over the past few* weeks, and with the onset of in*dependence, the situation is now* fundamentally changed. Previ*ously the three movements* have been guerilla organisations *armed at best with rifles,* machine guns and land mines and trained *in* guerilla tactics. Now, however, as they attempt *to* capture territory from their rivals, they are trying to fight *a conventional war.* They are ill-equipped for it, in arma*ments, training or mentality.* As the past few weeks have shown, both sides are trying to make up for this disadvantage by call*ing on their foreign allies.*

The extent of foreign involvement *at present, while far from* clear, is worrying. On the *FNLA-Unita side the most* dramatic development has been the sudden appearance of a foreign column estimated at some 2,000 strong which has spear-headed the attacks on Sa da Bandera, Mocamedes and most recently, Benguela and Lobito. There are quite well substantiated reports (mainly from Portuguese military sources) that this force is 30-35 per cent. white, including some former Portuguese soldiers, some "English-speaking" whites (presumed South African mercenaries) as well as Africans from the former crack "Flechas" unit which was *dis*banded by the Portuguese over *a year ago.*

Fifteen years ago the Congo showed the effect that white mercenaries can have in an *African war out of all propor*tion to their numbers; the *success of the mercenary* column in the south of Angola *shows it again. Key questions* about this new force remain *unanswered:* it is armoured (at least 26 Panhards and several *supply helicopters*): did these come from Zaire—or from South Africa? Both armies use Panhards. Where has the fuel come from? It seems unlikely that it has been flown in from Zaire; yet it also seems unlikely that South Africa, presently involved in its "détente" exercise in Black Africa, would risk overt involvement. Obviously, however, the fuel and the arms have come from somewhere since there is no refinery and few fuel depots in the south.

Justifiable suspicions

MPLA has justifiable suspicions of South Africa and Zaire—and through Zaire, since that country is heavily backed, economically and militarily by the U.S., of American involvement. As for the MPLA itself, supplies of Soviet arms have been increasing markedly for the past few months. There are believed to be Russian technicians with the MPLA, while between 300 and 700 Cubans are reported to be training, if not actually fighting with MPLA units.

Both sides, therefore, directly or indirectly, are seeking and are receiving outside support and have big power backing. *What this means now,* and might mean in the future, can *only be guessed at.* Rear Admiral Leonel Cardoso, the *departing* Portuguese High Commissioner, told me last week that he believed that the Angolans were now no more than "*marionettes*" in the hands of Russia and the U.S. Angola, because of its riches and its strategic position—near the U.S. and on the key Cape sea route—would not, he believed, be expendable for the U.S.

Viewed *against the history of* some 20 years of African independence these fears may seem melodramatic. African independence movements, even the most radical, have proved primarily African nationalist rather than Communist, and *it is unlikely that* MPLA, even if it were to "win" the war with *Russian arms,* would prove an exception. Moreover, the Soviet Union and the U.S., with détente in mind, may be pre*sumed to be aware of the* dangers of direct involvement *in a continent which has,* until now, engaged neither of them *in any major way.*

Nevertheless, there are real dangers ahead. It may have been possible, finally, to isolate the Congo a decade ago, but with the likelihood of an *escalating guerilla war in Rhodesia,* together with a foreign-backed war *in Angola* and its ramifications on neighbouring African states (there is already the possibility of an imminent clash between Zaire and the Congo Republic over oil-rich MPLA-controlled Cabinda), the spectre of Southern African conflagration comes that much nearer.

Massive support

Thus Africa—and the rest of the world—must hope that the *powers now involved in Angola* will step back from the brink *and support African efforts* to find a peaceful solution to An*gola's problems. This, of course,* will not be easy. It is doubtful whether a *Government of* Angola could be formed by FNLA and Unita *without* the MPLA, if only because the MPLA has *massive support* inside the unions and the civil service—and the latter, though it does not stretch much outside Luanda, is still vital. Neither does it seem likely that *in the event of an MPLA-Unita government the FNLA's* Bakongo supporters would accept a government which did not include their representatives.

So the going—for the movements, for the ordinary Angolan and for the economy—will be very tough by any reckoning. The ordinary man always suffers in wars of this sort (the High Commissioner estimates that 30,000 Angolans have been killed and at most *100 whites*), while as for the economy (as one of the *few foreign business*men left here said) "You know the worst but you *just can't be*lieve it's so bad." Production of most export commodities is down to some 20 per cent. of normal and still decreasing: main transport routes are cut and trade, *except for local food*stuffs, is at a standstill. Somehow essential services, at least in Luanda, are being maintained. *But it is all far, far from* the promise which Angola holds, if only it could find peace.

MEN AND MATTERS

Switching to Ferranti

Derek Alun-Jones must have steeled himself for some unkind questions about his new job. After 15 years with Burmah Oil and predecessors, he is now taking over as managing director of the half State-owned Ferranti group. Out of the frying pan into the fire? Alun-Jones *thinks not: he was latterly* director in charge of Burmah's industrial *division* (Quinton Hazell, Halfords, Rawlplug) which has been "*reasonably successful*," in his words, unlike the tanker side.

Having started as assistant secretary of *Philips Electrical* in the U.K., he was called to the Bar a couple of years before becoming secretary of Expandite, eventually absorbed by Burmah. At Ferranti, he displaces Sebastian de Ferranti (who nevertheless remains chairman) and faces some tough industrial decisions.

Though "personally very interested" in the evolving relationship of Government and industry, Alun-Jones appears to have his reservations: "We're going to have to live with it, and should co-operate in making *it work.*" He pronounces himself satisfied that the National Enter*prise Board will not interfere* with day-to-day management. "*All the criteria mentioned* have been commercial and long-*term,*" he adds. He does express concern that decisions earlier *this year, particularly on man*ning levels, were influenced by political *considerations.* His view, shared in the electronics *business but not necessarily by* the unions, is that Ferranti should "*perhaps concentrate* its activities a little more."

As for life in the Boardroom, 42-year-old Alun-Jones was con*fident there would be no Rank* Organisation-type dust-up in years to come. Both Ferranti *Brothers* were assured service contracts for "an initial period *of three years*" under the Government's £15m. rescue operation. *Alun-Jones would not be* drawn on his terms of employment. "A *normal, commercial* short-term relationship" was his description.

"The Noble King Hassan,
He had ten thousand men,
He marched them up to the
edge of the war,
and he marched them down
again."

Say it again

Remember the old joke about how a "Send reinforcements, *we're going to advance*" message eventually turned out *as "Send three and fourpence* we're going to a dance"? The public inquiry into the William Tyndale school dispute between the managers and seven teachers yesterday provided a most up-to-date version.

According to Stephen Sedley, the teachers' counsel, one of them had once written up *several ideas* on which his class might base a painting. One of these ideas was a quotation from William Blake: "The tigers of wrath are wiser than the *horses of instruction.*"

This had been noted by a teacher not involved in the dispute, who claimed the class had been given as a subject for discussion, the quotation: "The tigers of destruction are stronger than the horses of *instruction.*" *By the time* the incident was being reported to *parents,* the "*subject for discussion*" had become transmuted into "a slogan," which read, in one version, "The tigers of destruction are more beautiful than the horses of industry"; and in another "The tigers of revolution are mightier than the horses of education."

Finally, Sedley added, the *Daily Mail* had taken up the incident, quoted the slogan as "The smile on the face of the tiger is revolution" and, with *an admirable sensitivity* for literary style, attributed it in *the original to Mao Tse Tung.*

Scilly choice

It is just conceivable, but un*likely, that shareholders* meeting in the Scilly Isles on Thurs*day week will thumb their noses* at a £1m. repayable grant and *sit back for the proceeds of a* liquidation. As Barnslie Ward, *joint managing director of the* Isles of Scillies Steamship Com*pany says, the shareholders* "would get paid handsomely" if *they turned down Government* aid and the business folded.

But being mostly Scillonians, the 200 or so investors will almost certainly back Ward and his Board (his father is chairman and his grandfather was chairman when the company started in 1920) in accepting the grant and the appointment of a Government nominee as director. The money will go towards a new £2m. ship for the run from Penzance. Who will build the ship is confidential un*til the shareholders'* meeting. The troubled Drypool Ship*building group* was asked to tender, though the company was *"not very hopeful" of getting* the order.

The £2m. required for a new vessel — the company will *borrow some £575,000* and find the rest from its own resources *—is a hard lesson in inflation.* The first ship cost some £20,000, the Scillonian delivered in 1956 cost £250,000, and three years ago a contract was signed for a replacement costing £750,000, but the builders failed.

The company's trade increased to the point where in 1965 it put on a second, £180,000 steamer, the Queen of the Isles, which lasted until 1971. It was then bought by the Government which, curiously enough, made a gift of it to the Tongans, and it now plies between the Friendly Isles in *the Pacific.*

The financial record of the *public but unquoted steamship* company has been good, only *missing, in Ward's recollection,* one year's dividends, and this year it expanded into the travel agency business to promote Scillies holidays. About £50,000 is lost providing essential freight services in the winter, but heavy holiday traffic in the summer more than makes up.

Ward insists that the ships *and British Airways' Penzance*-based helicopters are complementary. It is a *pity though that* because of security considerations, the Scillonians' *most* celebrated passenger goes mostly by air these days. On the other hand, British Airways doesn't get the business: holidaymaking Harold Wilson uses Royal Navy helicopters from a base near Helston.

Observer

OCIETY TO-DAY

BY JOE ROGALY

What the Health Commission should ask

'S always uncomfortable a proposition that has ed acceptable for a quarter century and more suddenly s to be sensible. The pro- on I have in mind is the that runs: "Our British nal Health Service is the n the world, and we would se to keep it the way it is."

til a very few years ago was demonstrably true, *we managed to keep our* lation about as healthy as populations of other ad- d industrial countries: the shows that at the begin- of the present decade we not far behind comparable ns in general measures of h. At that time, we were ling a lower proportion of national product on health *than many of the countries* table. We used—and still a system of allocation that iversal (which most others e West are not) and ap- ntly one of the fairest that be devised.

elapse

is possible that all this ns true, or that, if there een a temporary relapse g the past two difficult all will soon be right After all, the Health e has survived many other *is of "imminent collapse"* like the one now being en- , and it may pull through

there is a difference this Many of the things that gone wrong on various ons in the past—doctors' s, manual workers' unrest, isational problems, emi- n, falls in morale—all r to be *happening* ner now, and on a more e scale than before. This is familiar in systems of administration in their last years. It is important to understand why it is happening to the health service.

The fundamental reason is that there is no really satisfactory way of relating the demand for health care to its supply. To regulate supply, Britain uses Government officials, who regard their Minister as *rationer-in-chief. In the years* ahead the available ration is likely to seem increasingly meagre.

Yet there is no end to demand, *particularly in a country* which insists on providing the service free at the point of supply. Seven years ago, M. Wadsworth found that 95 per cent. of South Londoners considered that they had been unwell at some time during the fortnight before they were questioned. (*The Consumer and the Health Service*, Office of Health Economics, 1968.) After studying 177 large acute hospitals, M. S. Feldstein reported that both the number of patients admitted and the duration of their stay increased to meet the amount of *beds made available. (Economic Analysis for Health Service Efficiency*, Humanities Press, 1967.) M. H. Cooper and A. J. Culyer show that bed availability differed between one regional hospital board and another by more than 80 per cent. (in M. Hauser, ed., *The Economics of Medical Care*, Allen and Unwin, 1972).

All the published data tell the same story: the increase in the number of absences from work on the ground of sickness; the larger number of repeat *calls on the medical services*; the understandable popular demand for the universal provision of every new life-saving or life-preserving device that is invented. There is no conceivable way of giving every person the level of *health care that he or* she had been led to believe is necessary or fancies might be *helpful.*

Priority

This has always been true—in the sense that a bull elephant that has just reached maturity has always been growing. All the while, successive Ministers has assumed that nothing could be done *to touch expenditure* on the "sick": the provision of the best possible hospitals, doctors and equipment has ever been a political priority.

The sad truth is that officials have become less and less good at balancing this restricted supply and this near-infinite demand. For evidence, consider a document reluctantly published, *after newspaper "leaks,"* by the Department of Health and Social Security a couple of weeks ago. *This tells of the* findings of a Working Party whose task was to allocate *"resources" (that is cash)* between the English regions in 1976-77. The document tells what the officials suggested: the Minister's decision is still awaited.

It was this document that proposed spending less in the London area *and more in places* like Trent and East Anglia. Why? Because the figures *thrown up according to two* criteria said they should. These criteria were (a) population, weighted according to age and sex and (b) "caseload"—the number of patients in relation to the population.

The sheer mindlessness of this *is* staggering. "Our concern is to decide how much money (local health) Authorities should receive and not what they should do with it," says the report. Fair enough—but the Authorities will of course work to increase the amounts they receive, because, *in the unabashed words of the* officials' report, using "caseload" as a measure is "an in*centive to greater efficiency in* the use of those resources in that higher throughput of cases per unit of population will attract an increased share of available revenue." In other words, the more patients you get on your books, the more money for next year.

Now there is not a single suggestion in any of this of relating the health *needs (on* some acceptable if necessarily arbitrary definition) of a given sector of the population to what should be spent. Why has East Anglia been getting along on so much less for so long? Have the people been less well as a result? If so in what areas? If this was known it might be possible to make specific rather than overall increases in that region's allocation, while still cutting down the amounts spent in the better-off areas of London. Officials will naturally seek to equalise the amounts per head spent in different parts of the country: what is *wanted is some rational assessment of how much of the ex*penditure already taking place is in fact necessary.

In the present instance the decision is still to be made by the Minister—but Mrs. Barbara Castle, the Secretary for Social Services, cannot possibly decide for herself whether the variations in spending in different parts of the country are reflected in different degrees of healthiness. In one study, a group of coronary patients was *admitted to an intensive care* unit while a control group was allowed to stay at home. It turned out that those left at home had no greater case fatality rate than those given intensive care (H. Mather, paper at the BMA clinical meeting, 1970). Our officials would no doubt say that more had been spent on the intensive-care patients than the others, so that there should be a transfer of "resources."

Because of this fundamental supply-demand flaw, against which all the other troubles of the NHS seem manageable by comparison, the new Royal Commission on the Health Service *should be given* the widest possible terms of reference. The present plan is to *ask it* "to consider in the interests both of the patients and of those who work in the National Health Service, the best use and management of the financial and manpower resources of the National Health Service."

Even if a chairman is appointed who is willing to stretch his terms of reference to the utmost, this will not meet the basic needs of the Health Service—although I suppose it does well enough as a transparent political gesture designed to cool the doctors down.

For what is really needed is a root-and-branch inquiry—one that does not shirk questions like: "Should we have a National Health Service at all?" I hasten to add that the answer should certainly be yes, but this is beside the point. The NHS was designed by people who believed that it would make so many people so well so quickly that after a while its cost would begin to fall. It was constructed during years of fairly steady, if low, economic growth. It grew to maturity on the basis of a willingness to serve the public that frequently impressed outsiders.

None of these factors can be counted on any longer. It could be that further tinkering with the old machine is all that is necessary; if so, well and good. But the case for saying as much *would be much stronger if the* Royal Commission had examined the other possibilities as well.

As an example, there has recently been a little flurry in favour of turning the service over to a corporation, so that it would no longer be involved in "politics." This should be considered seriously, even though it is inherently unlikely that a corporation employing 1m. people and dealing with so emotional a service as health at the expense of the taxpayer could ever be non-political. And the example of the Post Office as a corporation is not very encouraging.

Or, to take the willingness-to-listen one step further, the Royal Commission could hear the arguments for and against moving to an insurance-based *system, like the Continental* Europeans use, as opposed to our tax-financed one. There are many disadvantages: universality is difficult with insurance, and the tendency for health to take a greater share of the national product is enhanced. Even so, it should be looked at.

Beyond this, it is possible that the idea of an all-embracing service is no longer workable. There is a clear division between acute medicine, which most often affects economically *active people, and the far more* expensive and growing system of care for the elderly, who are mainly economic dependents. Should the same system serve both purposes? Would insurance be best for one and tax-financed care be best for the *other? The questions should at* least be asked.

Dispute

Finally, as the highest stage in a questioning approach, a proper Royal Commission would ask, how much medical practice is necessary? How much is really social service? What is *merely medical mystery?* There is much dispute, for example, about the value of certain mass screening techniques, or tonsillectomies, or sending all expectant mothers to hospital when *the real need is there only for* mothers in ill-equipped or overcrowded homes. In *Prospects in Health*, a pamphlet published by the Office of Health Economics in 1971, the World Health Organisation's definition of health as "a state of complete physical, mental and social well-being" is rightly derided as a fantasy-objective. Yet it is one the NHS seems to be reaching for. The pamphleteer prefers the Oxford English Dictionary alternative: *"soundness of body; that condition in which its functions are duly discharged."* This might be managed, with difficulty, if only the Royal Commission had the freedom and the will to start off by drawing the line thus.

EUROPE'S HEALTH

Country	General mortality rate per 1,000 pop.	Infant mortality per 1,000 live births	Life expectancy born in 1970: Male	Female	Pop. per doctor	Pop. per hospital bed
England & Wales	12.1	17.3	68.8	75.1	790	110
Scotland	12.4	18.9	67.1	73.4	640	80
W. Germany	13.7	22.8	67.5	73.6	560	90
France	10.6	16.0	68.6	76.1	720	100
Netherlands	8.5	11.5	71.0	76.7	760	80
Belgium	12.2	18.1			630	120
Italy	9.6	27.0	67.9	73.4	540	90

Source: World Health Organisation. First two columns 1972; last two columns 1970 and 1971

Letters to the Editor

riggered by xation

Mr. D. Gardiner.

—Mr. Joe Rogaly (Novem-) describes what may be inter's fashionable fallacy: any people are now wasting time and our money in roductive jobs in the public es If only they can be d to productive work, be it anufacturing or service ries, we shall be back on ad to salvation.

suggesting that this equa- is too easy by half, Mr. y is quite right. The reason t is too easy he seems to missed. It is because the ion itself is too simple by rd. It is not a two-sided ion, as Mr. Rogaly suggests, three-sided one; and the ng element, which he never ons, is taxation.

bout question, there are any people in the public *es But merely reducing* umber of central and local nment employees will not *self solve any problems; it* merely create more unem- ent. Such a reduction, ver, in *public employees* be accompanied by a re- n in taxation correspond- o the amount required to them This reduction in on would, of course, in- e the net disposable income private sector. This would late the demand on manu- ring and service industries, in turn would enable them sorb those employees who been displaced from the e sector.

s cycle of change would se the cycle which has been on for the last 30 years; such a cycle has to be d somewhere. It could not *arted by reducing the em-* ent in public services, due e unemployment it would *nor could it be started* creasing the output of the te sector without there corresponding demand. It be triggered by taxation.

seems that the best candi- for starting this process of cutting is employer's ibutions. It is cost-push ionary. It will ease the ure on company profita- , and it will stimulate ployment. Yet this is just rea which the Government now chosen to increase.

is tax reduction should then osely followed by a deter- d policy of non-replace- , or even of redundancies, in public services. The public oyees thus displaced can be absorbed into the private r, *which will have been* lated into a higher level tivity by the tax cuts.

it is carried out in a con- d manner, this reversal of cycle, by reducing taxation curtailing public spending, ld in time help to reduce ate of inflation—unless the rnment *loses its nerve*, and s up its loss of revenue by wing or printing the money, private sector will no longer aying through taxation for a huge bureaucracy, and he so-called "social wage," h is thrust upon us whether ke it or not. Instead, it will aying the market price for ufactured goods and services uding capital investment) h it will buy from its own e.

. W. Gardiner.
Old Rectory,
ll,
bury Berks.

roductive mployment

n Mr. C. Jeanes.

r,—Contrary to apparent lar belief, relations between management and labour in industry have been such as to allow British industry to increase its productivity year by year. The tragedy has been, that instead of these productivity improvements leading to increased output with a stable workforce (or even better, increased output with an enlarged workforce) the result has tended to be stable output, with a reduced workforce. Thus it has been industry's productivity gains which have supplied the manpower for the rise in "non-productive" employment, which is alarming so many people, including Mr. Rogaly (November 5). It can be argued with some force, that if the providers of marketed *goods and services* had a greater incentive to raise their output, namely a higher level of consumer demand, and a removal of the present artificial penalties on the improved results which *would flow from greater output*, the unemployment problem would rapidly disappear and the *drift from "productive"* to "non-productive" employment would be halted, or even *reversed.*

This situation could be brought about by the following triple policy:—(i) an end to *all* controls on incomes, prices and profits; (ii) a significant raising *of the tax threshold, to encour*age people who want to work harder and earn more, and to *stimulate demand; (iii) a real* freeze on "public" expenditure at, or even better, below, its present percentage of GNP. The combination of these three should result in the economy recovering within two years, with inflation down to an insignificant level, unemployment down to "normal" levels, and the currency stable.

What really matters, in any society, is not the proportion of "productive" to "non-productive" employment, but that the efforts of the "productive" sector should support the cost of the "non-productive" sector; without this, inflation is inevitable, as we are finding out. Mr. Rogaly is therefore quite right to say that it is not enough to *tell industry's lost 1m. workers* to take the bus back to the factory gate; the Government *should act on the lines indicated* above, and this will provide the solution to most of the problems *we have all been concerned with*, for the past three years.

C. F. Jeanes.
Fiveways,
4, Ollerbarrow Road,
Hale, Cheshire.

Sabotage by Sandilands

From Mr. J. Cripps and Mr. P. Pennington Legh.

Sir,—Accountants may well be unaware of what they are doing in accepting the current concepts of accounting for inflation. The combined Sandilands-CCAB proposals may be an injudicious attempt to sabotage private enterprise and the independent accountant. Four problems require substantive answers.

Inflation accounting appears to seek to know exactly how much we lose, instead of approximately how much we make. Inflation accounting means inflating the cost of non-productive staff in industry.

Inflation accounting begets an area of distortion, by accounting transfer, misused index and judged deferral. This distortion may be as great as any distortion caused by not accounting for inflation.

Inflation accounting, as approved, means the disclosure of notional profits on inventory. Such "holding gains" may encourage a Socialist Chancellor to believe and state that the private sector is profitable, and, in harder times, even to tax the betterment.

Inflation accounting, as approved, means an inflating deferred tax for the investor. When the deferred tax balance plus the revaluation reserve exceeds equity, an open invitation will be extended to Socialist Ministers who desire nationalisation.

We cannot be sure that this is *not a short-sighted approach* by leaders of the accounting profession. For inflation accounting *may ensure that accountants are* unwittingly programmed to become civil servants by 1984.

Jeremy Cripps.
Peter Pennington Legh.
21, Mill Lane,
West Hampstead, N.W.6.

North Sea oil

From Mr. H. Semmence

Sir,—That we will, at some not too distant date, reach the point when a surplus of energy will cause the break-up of OPEC and oil prices to tumble, is nowhere seriously doubted. The actual moment will, hopefully, arrive after the peak of activity in the North Sea, which in terms of world production is too insignificant to have any real effect *on the situation.*

Despite anything our conservationists or Scottish Nationalists may say, it is clearly to their and to Britain's advantage, in the short, medium and long term to drain the reservoirs while prices are high and if it is not feasible to drain them *completely*, to ensure that the only fields which are then still producing are the giants where production costs are low and whose capital investment has been largely written off.

The hard fact is that no oil company, large or small, will extract one single barrel unless its estimate of the differential between production costs and the market price is acceptably wide —and rightly so. It follows that it is in the national interest to give priority to those fields which, marginal now, would remain permanently untapped in the event of a softening of the present high cartel-rigged price, that is in general, those fields in the hands of the independents.

Instead of dithering, the Government should be rushing to conclude agreements with the independents (who want and need *participation*) while studiously keeping the majors, except possibly BP, at arms length, even encouraging them to refine as little U.K. oil as they wished, with the one proviso that *for every barrel they import* from abroad they buy one from BNOC and export one from their own fields. Given notice of such an intention now, long before any independent oil is available for them to purchase, the companies, who have consistently claimed that their multi-national *status gives them flexibility*, would have ample time to plan their marketing strategy and, because BNOC oil would be sold to them at the going OPEC price, could not complain of loss *of profits.*

The essence of the scheme is that the majors would refine and sell the independents' crude, with BNOC taking a broker's cut and we would be self-sufficient by 1978, not 1980. The Government would also get over its embarrassing commitment to voluntary participation.

The question remains, could the independents really produce enough crude to make such a scheme feasible? Even with the present crude technology of off-shore production the answer is yes, given that, armed with firm contracts for sale to BNOC, they would be able to raise the finance. But it is interesting to note that under pressure of inflation large companies are now turning to cheaper methods of production which have been available to them for years—sub-sea completions, buoyant platforms, etc., one wonders if they will use these "new" methods on large reservoirs in shallow water, or if, so as not to lose face, they will continue to insist that the only way is the installation of more engineering monstrosities. Was it the euphoria of a five-fold increase *in crude prices that caused them* to push, irresponsibly, off-shore technology along lines that few of the smaller companies could afford to emulate? Or were their actions more calculated? With *80 per cent. of U.K. reserves in* their hands and virtually all of the refining capacity and sales *outlets, the sudden "discovery"* of the cheaper methods would seem to indicate that they were.

Whatever the truth of the assertion, these cheaper methods are available to-day and could *enable independents to equal* and surpass the production of the majors, if government support is forthcoming. Fortunately, no new legislation is required; import controls, which are simply Ministerial Orders, would suffice. Few of our crude suppliers are members of GATT, and in any case, once Britain joined OPEC, the problem of import controls would not arise. The threat of their invocation, however, would ensure that the majors became more responsive to the country's needs.

H. R. Semmence.
15, Toynbee Road,
Wimbledon.

Cuts in public expenditure

From Mr. L. Keighley.

Sir,—Perhaps I misunderstand the assertions of our political masters, trade union leaders and the heads of nationalised bodies, and local authorities when they refer to the waves of "present cuts in public expenditure," but I cannot think of a single section of public administration where expenditure is now at a level below that of any part of the previous financial year. Would someone please quote the bodies where actual reductions of expenditure have occurred?

Leslie Keighley.
24 St. Anne's Road,
Leeds.

Pistol-packing people

From Mr. R. Foreman.

Sir,—Why should Mr. Wilson complain about a "*pistol pointed* at the Government?" (November 7) Isn't this an exactly similar *threat to that made by unions to* management, that is, the threat to stop production?

R. Foreman.
15, Middleton Avenue, Hove.

To-day's Events

GENERAL

European Central Bankers end two-day meeting, Basle.
EEC Agricultural Ministers end two-day meeting, Brussels.
Mr. Gough Whitlam, Australian Prime Minister, meets Mr. Malcolm Fraser, Opposition leader, to *discuss* country's constitutional crisis, Canberra.
Angola declares independence.
*Duke of Edinburgh attends pre*sentation of Gold Awards in his Scheme, Buckingham Palace.
Mr. Peter Shore, Trade Secretary, continues visit to Mexico.
Public inquiry opens in Scunthorpe into application to rebuild and extend Nypro chemical plant at Flixborough.
Mr. Robert Maxwell meets *workers of former Scottish Daily* News to discuss launching evening newspaper, Glasgow.
Lord Watkinson, CBI deputy president, speaks at Advertising Association lunch, London Hilton, W1.
Offshore Financial Centres, a two-day conference organised by Financial Times and the *Banker, opens in Nassau.*
Lord Stokes at Scottish Motor Show, Glasgow.
National Seed Development Organisation annual report published.
International Coffee Council meeting continues, London.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords amendments to Community Land Bill.
House of Lords: Consideration of Commons messages on Trade Union and Labour Relations (Amendment) Bill and Petroleum and Submarine Pipelines Bill. Local Land Charges Bill, Commons amendments. Fuel and *Electricity (Control) Act 1973* Continuation Order 1975.

OFFICIAL STATISTICS

Index of industrial production (September).

COMPANY RESULTS

Aquascutum and Associated *Companies (half year).*
R. and G. Cuthbert (full year).
Minster Assets (half year).

COMPANY MEETINGS

Hindson Print, Newcastle upon Tyne, 12.30.
Lockwoods Foods, Long Sutton, Spalding, 12.
Midhurst White, Dukes Hotel, SW, 10.30.
Stoddard, Elderslie, Renfrewshire, 12.

EXHIBITIONS

Traffic Engineering and Road Safety Exhibition opens, Metropole Centre, Brighton.
Home Improvements and Leisuretime Exhibition opens, City Hall, Manchester.
International Caravan and Camping Show continues, Earls Court.
Scottish Motor Show continues, Kelvin Hall, Glasgow.

COMPANY NEWS + COMMENT

Concentric's strong recovery to £1.26m.

THE increase in second half profit indicated by Concentric turns out to be from £405,099 to £789,761, giving a pre-tax total up from £613,583 to £1,265,240 for the year to September 27, 1975, compared with £1,039,241 for 1972-73. Turnover expanded from £16.8m. to £20.67m.

Stated earnings per 10p share advanced from 1.81p to 3.08p and the dividend, subject to Treasury consent, is lifted from 1.6p to 1.7875p net with a final of 1.0875p, partially restoring the rate to the 1972-73 total of 1.911p.

	1974-75 £	1973-74 £
External turnover	20,672,000	16,795,000
Trading profit	1,294,612	725,736
Other income	17,389	8,337
Making	1,312,001	734,073
Loan stock interest	52,753	53,545
Exceptional credits	5,984	*66,645
Profit before tax	1,265,240	613,583
Taxation	664,637	339,826
Extraordinary debits	59,108	29,685
Available	541,495	244,072
Dividends	270,046	241,720
Retained	271,449	2,352

* Debits.

The trading profit of £1,312,001 should really be compared with the £1,067,208 earned in 1972-73, rather than with the £734,073 notified last year when trading was very seriously affected by the thre-day week, says the chairman, Mr. D. F. Dodd.

Current results are in line with the normal pattern and as was customary up to last year, almost 60 per cent. was earned in the traditional control equipment, valve and pump division which in 1973-74 made a loss.

Emphasising a "dramatic" improvement of £0.9m. in the liquidity position, he explains that this was partly due to better stock and debtor control, partly to deferment of tax through reliefs on stock and partly to the sale of the group's Australian interest.

While the dividend still requires formal Treasury consent, it has been indicated that, although it exceeds the normal 10 per cent., it falls within anti-inflation regulations, reports Mr. Dodd. Restoration in full of the cut last year, was not permitted, he adds.

● comment

The three-day working week hit the controls and valves division in 1973-74 and it is recovery here that explains the 55 per cent. jump in Concentric's pre-tax profits: last year's strong runner, metal merchanting, has suffered from falling prices and volume. Overall the trading split has returned to more normal levels but the apparent drop in volume in the second half—sales rose by only 10 per cent.—may give some cause for concern. With about a third of its business going to the automotive industry, Concentric can hardly afford prolonged strikes in this area.. However, the sale in Australia, together with some internal economising measures has given the balance sheet an improved look—borrowings have been reduced by around a quarter—while the shares at 27p yield a useful 10½ per cent.

INDEX TO COMPANY HIGHLIGHTS

Improvement seen by Lyndale

The sales efforts being made at Lyndale Engineering, and the attention being given to cash flow, should enable the company to improve results again for the current year, says chairman Mr. W. H. Hamer.

As reported on October 7 pre-tax profit for the year to June 30, 1975, was £489,012 (£484,761) and the dividend is lifted from 1.34p to 1.7875p net.

Mr. Hamer says the profits were achieved because companies acquired generally performed as anticipated and because of the programme of rationalisation. The previous year had the benefit of an exceptional level of sales of generators by one subsidiary which could not be expected to recur.

All subsidiaries in difficult conditions made a significant contribution to turnover and profits with the exception of the company's steel stockholding subsidiary which was affected by the general condition of its trade.

The company continues to operate well within its borrowing facility, and is well placed to make further acquisitions in the engineering sector, members are told.

Walker & Homer to hold profit

CURRENTLY, the trading position of manufacturing upholsterers, Walker and Homer, is reasonably healthy, chairman Mr. G. R. Walker tells members in his annual statement.

And the directors feel the company can maintain profits at the level achieved in the year to July 31, 1975, when they rose from £231,523 previously to £582,014.

Mr. Walker says the recovery in profitability owes much to the reorganisation that took place last year, which itself contributed to the downturn of profits during that period.

The balance-sheet shows that liquidity is considerably increased—cash balances increased £372,585 (decrease £471,599)—and short-term loans decreased £1,200 (same). This position is currently continuing to improve.

In view of the discussions which are taking place concerning inflation accounting, the directors have decided not to publish adjusted accounts until an agreed practice is generally adopted. The results would not significantly differ if restated in pounds of current purchasing power, the chairman says.

Meeting, Birmingham, on December 5 at noon.

Newman Granger upsurge

PRECISION engineers and manufacturers of car jacks, etc., Newman Granger Industries, reports pre-tax profit up from £344,432 to £445,985 on a turnover of £4.45m., against £3.47m., for the year to July 31, 1975.

When announcing a first half profit little changed at £138,935 (£131,743) on a turnover of £2m. (£1.47m.), the directors stated that sales had continued to increase but the ratio of profit was still falling, partly due to inability to recover increasing costs.

Stated earnings for the past year increased from 4p to 5.41p per 10p share, and the dividend is raised from 1.181875p to 1.26125p net with a final of 0.70125p.

	1974-75 £	1973-74 £
Group turnover	4,447,795	3,477,613
Profit before tax	445,985	344,432
Taxation	229,731	184,318
Net profit	216,254	160,114
Dividends	53,480	47,273
Retained	162,781	112,838

Exports are up 68 per cent. and now represent 19 per cent. of turnover. "We must stay competitive if we are to hold this business," the directors state.

They report that order books are not as high as last year but the first three months' trading of this year "are not unsatisfactory."

● comment

After a first-half performance from Newman Granger, when profits rose by only 5 per cent., a surge forward in the second half to leave annual profits 30 per cent. ahead must have come as a pleasant surprise to the market and the shares put on 3p to 19p yesterday, where they yield 10.6 per cent. Flagging demand at home for car jacks has been a problem, but a strong performance from exports mainly to West Germany has helped as overseas sales rose by £345,000 out of a total increase of £1m. borrowings meanwhile, which stood at £570,000 in July, 1974 against net worth of £0.8m., have been halved and for the current year business so far has been similar to that in the comparable period. Export markets face stiff competition while an indifferent home market could pose problems, but for the time being a p/e of 3.4 is undemanding.

G.R. Hldgs. earns and pays more

ON A turnover up from £9.85m. to £11.14m., group pre-tax profit of G. R. (Holdings) increased from £1.19m. to £1.35m. in the year to June 30, 1975, after showing £0.78m., against £0.74m. for the first half.

Stated earnings per 50p share for the year advanced from 51.6p to 58.5p, and the dividend is stepped up from 14.7735p to 15.5p net with a final of 12p.

	1974-75 £	1973-74 £
Group turnover	11,136,295	9,847,198
Profit	1,366,412	1,186,151
Net profit	618,166	555,307
Tax charged	703,246	630,824
Attributable	606,732	534,970
Preference dividends	2,100	2,100
Ordinary	160,179	152,570

The group is engaged primarily in processing and merchanting sheepskins and furs and the manufacture and sale of garments and other products made principally of sheepskin, suede and leather. It also operates Grayshott Hall health and relaxation centre.

● comment

G R Holdings has emerged 14 per cent. ahead pre-tax, incorporating an unexpectedly strong second-half increase of 28 per cent. Margins, in addition, have ended up all square, after shedding 1.7 points in the first half. The result has been aided partly by interest received on cash deposits—there was a £1½m. turnround to liquid balances of £1 1m., thanks to an unchanged working capital requirement and tax relief on stocks—and partly by a recovery in the group's Australian subsidiary. For the current year, the retail side reports a less encouraging trading picture which may spread to manufacturing and merchanting, while mild grazing weather has resulted in a sharp rise in sheepskin prices. However, a strong balance sheet, an export ratio of nearly 40 per cent. and a yield of 12 per cent., covered 3.8 times, should underpin the share price of 210p, up 15p last night.

Clydesdale Investment earns less

PRE-TAX revenue of Clydesdale Investment for the year to September 30, 1975, amounted to £1.41m. compared with £1.46m.

Earnings per 25p Ordinary share are shown to be down from 1.64p to 1.5p, and assuming full conversion of "B" Ordinary shares from 1.39p to 1.28p. The final dividend is 0.85p net making 1.35p net against 1.5p.

The directors also recommend an interim dividend on account of the current year of 0.5p (same).

"B" Ordinary holders will receive a capitalisation issue equivalent in asset value to the recommended final and interim dividend for the current year but excluding any tax credit thereon.

Net asset value per Ordinary and "B" Ordinary at September 30 is shown at 65.6p against 40.5p.

	1974-75 £	1973-74 £
Revenue before tax	1,406,250	1,436,297
Tax	556,139	538,460
Net revenue	850,111	897,838
Preference divs.	62,543	61,543
Attrib. Ord.	787,568	836,285
Interim dividend	230,725	217,542
Final	410,622	322,791
Balance	76,221	54,652
Carried forward	1,749,447	1,673,226

Over £1.1m. by Assam Frontier

TURNOVER FOR the year 1974 of The Assam Frontier Tea Company increased from £3.19m. to £4.6m., and pre-tax profit advanced from £609,316 to £1,116,328.

Stated earnings per £1 share rose from 19.49p to 30.36p, and the dividend is stepped up from 6.7p to 7.15p net.

The profit is struck after development rebate reserve and development allowance reserve £12,969 (£15,446). Tax absorbs £843,838 (£440,645).

H. Woodward first half upturn

Although the civil engineering side continues to incur losses, the H. Woodward and Son group has more than trebled its profit for the half year ended March 31, 1975, from £53,419 to £176,888.

Chairman Mr. R. G. Norris says losses on civil engineering will continue until termination of the fixed price contracts. But the £180,000 provision made for future anticipated losses still appears to be reasonable and sufficient, thereby enabling the group to return to profit again. In the 1973-74 year a loss of £115,000 was incurred after the provision.

Claims to assist in some degree towards partial recovery of the losses are still being negotiated and will continue to be pressed against employing authorities into 1976, during the early part of which the last of the loss making contracts is due for completion.

Mr. Norris says the second half shows a trend towards reduction in demand which is continuing so far as the parent company's operations (motor dealing, body building, etc.) are concerned, but "we feel that we are getting a fair share of a reduced market," and are taking active steps to reduce costs.

	First half 1975 £	1974 £
Turnover	3,568,621	4,902,702
Trading profit	264,363	162,890
Profit property sale	4,640	—
Depreciation	34,223	36,924
Bank interest	51,543	43,449
Auditors' fees	6,350	3,105
Profit before tax	176,888	53,419
Taxation	91,981	24,373
Net profit	84,907	29,946

Tax losses in a subsidiary of some £57,000 continue to be carried forward as they are only available against future profits of that company.

A maintained 0.4p net interim dividend has already been declared. The 1973-74 total was 0.8p.

TOBACCO SECS.

An extraordinary meeting of Tobacco Securities Trust has been called for December 10 in order to determine the basis on which the Preference dividend payable on the company's Ordinary shares should be calculated. The directors are recommending that an amendment be made to the Articles.

Westward recovery—pays 1p

AFTER A second half turnround from a pre-tax loss of £50,841 to a profit of £221,392 Westward Television finished the year to July 31, 1975 £109,403 ahead at £294,885.

Stated earnings are up from 0.69p to 1.33p per 10p share and the final dividend of 1p net—there was no interim—stands against last year's total of 1.323005p. At midway chairman Mr. P. Cadbury said he was cautiously optimistic on the question of a final dividend.

He now points out that the dividend in the previous year was paid by dipping into reserves to the extent of £62,000, but this year the company increased profit enough to cover the dividend and also retain £32,000. This has been achieved "only by very efficient housekeeping throughout the company and is due to no special concessions," he says.

	1974-75 £	1973-74 £
Turnover	3,046,913	2,778,521
Profit before tax	294,885	185,082
Tax	167,999	117,170
Net profit	130,984	69,312
Dividends	98,403	130,307
To reserves	32,393	*61,995

* From reserves.

● comment

Without the problems of the early months of 1974, Westward has produced a partial recovery to leave full-year profits some three-fifths above those of 1973-1974. However, Westward had several factors in its favour. First, there was a revised card rate in the autumn of 1974, and it was the only contractor not to lose any transmission during the strike of last May. Expenses were held in check, rising by only 6 per cent., though in the process the outside broadcasting unit had to be sold. The change in the levy base also helped, resulting in a nil payment against what could have been a £60,000 liability under the old system. Since July, Westward indicates that advertising is running 30 per cent. ahead but the future is unpredictable given the sector's vulnerability to any cutbacks in advertising budgets in the face of economic pressures. Nevertheless, at 14p the shares yield nearly 12 per cent. covered 1.3 times. Current cash balances are worth around 5½p cash per share.

Mr. William de Vigier, chairman of the Acrow Group, which is celebrating its 40th anniversary this year, yesterday reported record first-half profits of £3m., compared with £2.3m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Acrow ...int.	2.0	April 7	1.75	—	3.00
Allied London Props.	1.44	Jan. 9	1.49	2.26	2.33
Assam Frontier Tea	7.15	Jan. 2	6.7	7.15	6.7
Clydesdale Inv.	0.85	—	1.06	1.35	1.5
Clydesdale Inv. ...int.	0.5	—	0.3	—	1.35
Concentric	1.09	Jan. 3	0.9	1.79	1.6
Continental & Industl. int	1.6	Feb. 3	1.6	—	4.5
Courtney Pope	2.47(b)	—	2.25	3.52	3.3
Fourth City	0.65	—	2.55	0.65	2.58
G. R. (Holdings)	12.0	Jan. 21	11.27	13.5	14.77
Kampong Lanjut Tin	20(c)	Dec. 12	60	—	95
King & Shaxson ...int.	0.9(a)	Dec. 15	0.7	—	2.84
Lucas Industries	3.87	—	3.69	5.25	4.92
Newman Granger	0.7	—	0.62	1.26	1.18
Piccadilly Theatre	8.27(d)	Dec. 22	8.27	8.27	8.27
Rothschild Trust ...int.	2.73	Dec. 19	2.68	—	9.51
Westward Television	1	Dec. 12	0.88	1	1.32
Wharf Mill ...int.	0.55	Jan. 15	0.51	—	1.19
Young Trust ...int.	1.0	Dec. 30	1.0	—	2.6

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity. (b) Amended. (c) Not less than maximum permitted total intended. (d) Gross percentage. Malayan cents.

JFB conversion plan to cut borrowings

TO REDUCE group borrowings to some 76 per cent. of shareholders funds, Johnson and Firth Brown proposes early conversion of the £3.75m. 9½ per cent. Unsecured Loan stock 1985-90.

This should ensure that, once the recession ends, the group would not find the expansion of business and the necessary increase in working capital limited by borrowings restraints, explains the chairman Mr. J. M. Clay.

The basis for early conversion will be 178 Ordinary 25p shares for every £100 stock, and additional interest payment of £2 per cent. on December 24, rather than the present 168 shares. Provision has been made for holders who wish to keep their stock, but the improved terms will only be available under the scheme.

At June 30, 1975, total borrowings were equal to about 109 per cent. of shareholders' funds: including the N. Greening acquisition which brings this down to around 91 per cent.

Total borrowings and shareholders' funds were £41.1m. and £45.1m. respectively; and conversion of the whole stock now would reduce borrowings to £37.3m. and increase shareholders' funds to £48.9m. Total acceptance of the scheme would mean the issue of 6.68m. shares, instead of 6.31m. needed through conversion on existing terms.

The scheme is conditional upon Ordinary holders and loan holders approval. The directors, adv by Lazard Brothers, recomm acceptance. In arriving at terms, regard has been paid the fact that stockholders give up their right to even repayment at par, and that version now on existing te would mean a decrease in g annual income.

In his annual statement, acc panying the proposals, Mr. says it is "most unlikely" current year profits will m the £8.29m. attained in 197 as the group cannot avoid effects of the world recessio

However, he believes that current year will demonstrate group's underlying strength, that it will emerge from the cult period ahead well placed further progress.

All divisions are well place take advantage of the econ upturn when it comes. And continuing to invest to main technological pre-eminence efficiency of production proce the group "will continue to and prosper in the long term

The 1974-75 profit comp with £7.21m. previously, as ported on October 9 with 3.4775p (3.25p) dividend. D tors, etc., emoluments inc £21,000 (£30,000) payments on mination of contracts.

Meetings, Sheffield, EGM December 3 (10.30 a.m.) and on December 12 (noon).

Chairman's statement Page

See Lex

Runciman forecasts advance

ATTRIBUTABLE GROUP profits before tax of shipping and freight agents, Walter Runciman and Co., for the six months to June 30, 1975 are well ahead from £1.11m. to £1.51m. and chairman Viscount Runciman of Doxford says profits for the full year should surpass last year's record £2.41m.

The directors are now confident of being able in due course to recommend a maximum permitted dividend—last year's payment was 5.64p net.

	Six months 1975 £	1974 £
Trading profit*	2,634,373	2,437,111
Depreciation	321,236	284,811
Interest, divs. received	10,721	31,443
Interest payable	327,365	318,380
Exchange losses	114,734	25,098
Pre-acquisition	—	40,337
Minorities	7,000	5,116
Profit before tax	1,514,484	1,111,353
Tax	785,000	578,000
Net profit	729,484	533,353

* Profits less losses of associates included amount to £20,015 (£43,179).

Viscount Runciman points out that the performance over the first half has followed the course indicated in his annual statement in the summer. The shipping and insurance divisions have traded satisfactorily and the security division has made continued progress.

Since June 30, 1975 the group has disposed of its interest in its associate in Australia resulting in a loss of £81,528, which will be dealt with in the accounts for the full year.

● comment

Walter Runciman's half-time statement—profits 36 per cent. higher pre-tax—paints an encouraging picture of the full-year prospects. Although the security division which lifted its contribution by 57 per cent. in 1974 has clearly been the star performer in the first six months, the improvement in profits also reflects the resilience of the group's shipping activities. Apart from three liners, which are all operating regular services, all the group's fleet is time chartered at rates which were negotiated before the current shipping depression really began. Thus profits from here, although far from buoyant, are holding up better than those of most other shipping companies. A maximum yield of 9.4 per cent. at 102p (roughly 3 points above the sector average) covered 1½ times interim earnings therefore good value.

£0.82m. by Allied London

FROM TURNOVER up £3.28m. to £6.3m., pre-tax p of Allied London Prop advanced from £794,067 to £ for the year to June 30, 197 midway the rise was from £ to £384,821.

After higher tax for the of £449,092 against £340,317 th balance comes out £78,460 at £374,770.

Earnings per 10p share shown to be down from 3.35p. The final dividend is 1 net making 2.2573p compared 2.327p.

Bowring in Singapore

C. T. Bowring (Insur Holdings, a member of the ring Group, and Mollers (ance Brokers) Pte., of Singa have formed a joint Sing company, Bowring Mollers P

The aim is to improve Bow services to its clients in pore, and in specific cas Indonesia, Thailand and Philippines.

The Board will consist of P Stoddart, P. L. Eckersley D. J. Cowley (managing dir from Bowring, and H. H. H and M. S. Robson from Moll

ISSUE NEWS

ESSEX WATER

Underwriting has been pleted for an offer for sa tender of £3.3m. Essex Company 9 per cent. Redee Preference stock, 1981. Fu ticulars will be availabl morrow. Brokers to the iss Seymour, Pierce and Co.

هكذا من الاصل

MINING NEWS

Falconbridge lays it on the line

Y LESLIE PARKER, MINING EDITOR

DOWNTURN in the world ...ket for nickel has been under... by the decision by Canada's ...onbridge not to resume full... ...uction following the labour ...e which closed down its ...ations for ten weeks between ...ust and the beginning of the ...ent month.

...erations are re-starting using one of the two blast furnaces ...e smelter. Mine production ...be reduced accordingly. The mine will remain shut down output at the north and ...ing mines and the Fecunis will be curtailed towards the of the year. Major capital ...ects at Sudbury will also be ...orarily suspended.

...is programme will have an ...ct on other departments of operation such as milling, ...rical and mechanical services ...ell as clerical and technical ...ces. The company seems con... ...t that it will not incur further ...r resistance to the resultant ...ts on employment.

...naturally expresses the hope depending on a recovery ...e nickel market, operations be returned to normal as ...ly as possible with all cur... ...y affected sections being ...tained on a stand-by basis.

...America Canada's major pro... ...r, International Nickel, has ...n against "proposed sweep... ...hanges in state policy" in development of its copper... ...l project near Ely in Min... ...a. So it is suspending ...er activity thereon although ...as spent more than $9m. ...m.) since the start of ...ration in 1952. Inco is still ...ful that Minnesota will have ...d thoughts about its environ... ...al and other objections.

...ing a total outlay of approximately $4m. before any decision is made as to further participation.

* * *

Rising costs and a setback in the bullion price following the International Monetary Fund proposal to sell 25m. ounces of gold are reflected in a fall in South Africa's gold and uranium profits to R825.5m. (£181.3m.) in the September quarter. The total for the past nine months is R1.01bn. (£562.5m.) compared with R1.14bn. in the same period of 1974. Current quarter's profits should receive a fillip from South Africa's recent devaluation.

...IXED FORTUNES ...T BH SOUTH

...stralia's BH South produced ...d tonnes of market rock from ...big phosphate project in ...nsland last quarter and ...ted 38,004 tonnes of the ...rial. Shipments began in this year and construction is continuing for an annual ...ction rate of 1m. tonnes.

...the other hand, the com... ...s Cobar copper operations being trimmed to meet ...ed demand. Ore production ...e mine has been cut to ...ximately 600,000 tonnes a ...—a total of 807,430 tonnes was ...d in the year to June 28— the central area workings been put on care and main... ...ce. Normal working con... ...s at the 51 per cent.-owned ...antoo copper operation.

	Three months to 30-9-75	21-9-74
	(Tonnes)	
Mines		
ore treated	142,600	128,650
concentrate	7,728	8,667
[illegible]	1,931	2,044
...ncentrate	4,930	2,619
[illegible]	2,471	4,192
...ncentrate	871	880
[illegible]	435	393
mes		
ore treated:		
...n ore	291,444	283,477
...d ore	35,388	—
concentrate	5,309	7,201
[illegible]	1,229	1,362
(kg)	288	307
rock removed	881,302	869,806
...pment		
	(Metres)	
...d across tunnel	84	—
[illegible]	197	—

...OUND-UP

...final dividend of 17 cents ...p) making a total of 30 ...for the year to September ...ared with 12½ cents for the ...ous year is announced by Mining Australia. The com... holds a 10.8 per cent. stake the coal-producing Utah ...opment which is itself 89.2 ...cent. owned by America's International.

* * *

...d Fields of South Africa's ...lian subsidiary has acquired ...per cent. interest, with the ...n of increasing its stake ...n the next 12 months, in the ...ore-producing Minas D'El ...Dom Pedro in Minas Gerals. ...n of $US1m. (£0.48m.) repay... ...over five years is to be made ...FSA to Minas D'El Rey mak-

October tin production

IN THE London Tin group's tin output figures for October, Malayan reports a recovery from the previous setback which reflected the cessation of production by the No. 4 dredge on September 11 when it began a river crossing which was expected to take about five weeks. Malayan's total for the past four months of the current financial year nevertheless amounts to only 832 tonnes compared with 1,178 tonnes a year ago.

Berjuntai, with a half-year total of 1,928 tonnes against 2,218 tonnes, says that its No. 5 dredge was shut down on October 28 for major repairs. On the previous day Kamunting's Pangnga No. 1 unit in Thailand was closed, having exhausted its available ore-reserves; the company's 7-month production amounts to 475 tonnes against 670 tonnes.

Southern Malayan's No. 5 dredge resumed operations on October 16 and overall output for the past four months amounts to 822 tonnes against 879 tonnes. Of the other mines whose outputs are shown in the following table Southern Kinta now has a 7-month total of 1,159 tonnes against 1,449 tonnes and Tongkah Harbour's 4-month total is 189 tonnes compared with 208 tonnes a year ago.

	Oct. Tonnes	Sept. Tonnes	Aug. Tonnes
Amal. of Nigeria	*180	*216	*238
Aokam	288	318	247
Berjuntai	313	330	[illegible]
Kampong Lanjur	18	22	24
Kamunting	60	61	69
Kramat	[illegible]	34	38
Kuala Kampar	41	36	32
Lower Perak	32	39	39
Malayan	187	179	866
Sthn. Kinta Cons.	181	207	128
Sthn. Malayan	195	209	209
Tongkah Harbour	29	36	64

*Four weeks.

October tin concentrate outputs announced by Grooved Secretaries are notable for a further sharp rise in that of Petaling. Monthly figures from this company tend to be erratic but the 11-month total is well up at 1,136 tonnes against 795½ tonnes a year ago. The single-dredge Pengkalen reports a setback after its high September output, but the year's total comes out at 352½ tonnes against 284½ tonnes.

The group's latest figures are compared below.

	Oct. Tonnes	Sept. Tonnes	Aug. Tonnes
Gopeng	182	182	163½
Tanjong	18	14½	14
Idris	32	33½	32½
Pengkalen	14½	30½	12½
Petaling	139	112	107

In the Tronoh group, a further and sharp improvement has been achieved by Ayer Hitam which brings the mine's output for the four months to date to 668 tonnes compared with 938 tonnes a year ago. Sungei Besi has also done better and its seven-month total comes out at 1,171 tonnes against 1,228 tonnes; as already reported, the company does not expect to pay a dividend for the next two years.

Tronoh's production for the past 10 months is brought up to 2,128 tonnes against 2,593 tonnes. The group's outputs are shown in the following table.

	Oct. Tonnes	Sept. Tonnes	Aug. Tonnes
Ayer Hitam	231	161	142
Sungei Besi	172	157	141
Sungei Way	47	62	25
Tronoh	230	204	215

More ore for Murchison

WITH ITS LIFE officially put at a minimum 8 years South Africa's antimony producing Consolidated Murchison has been actively exploring its Gravelotte area for some time. Our Johannesburg correspondent reports what is described there as a "low profile" announcement by the company saying that certain target areas on the antimony line have been indicated while at one spot antimony-bearing rocks have been discovered outcropping on surface. Exploration is continuing. It will be some six to eight months before any meaningful conclusion can be drawn regarding the area's potential it is added.

However, Johannesburg opinion is that Murchison is already fairly confident even at this early stage that it has found a significant new orebody which will considerably extend the life prospect. Otherwise, it is thought, it would not have made an announcement at all even though it was preceded by some days of rumours about favourable news from the company. The shares responded with a rise of 30p to 760p which equals their previous 1975 best.

MINING BRIEFS

EX-LANDS NIGERIA—October production of tin ore (five weeks) 38 metric tonnes (September 40 tonnes).

RAHMAN HYDRAULIC TIN—Tin output for October 34 metric tonnes (September 60 tonnes).

MALAYSIAM TIN—October: Tribute ore sold 19.52 tonnes (September 5.64 tonnes). Working profit £3,521 (£465). Tin ore retained in stock at October 31: 3.94 tonnes (September: 19.15 tonnes).

RIT LIFTS INTERIM

Rothschild Investment Trust is raising its interim dividend from 2.68p to 2.73p net per £1 share, and announces that interim figures in respect of the year ending March 31, 1976 will be published next month. Total dividend for the previous year was 9.505p.

A. CLOUGH

The necessary resolutions altering the Articles of Alfred Clough so as to increase the borrowing powers of the directors have been approved, including the increase from 7½ per cent. to 9 per cent. per annum in interest payable to Preference shareholders.

BIDS AND DEALS

Holt—Lloyds Industries merger planned

Holt Products and Lloyds Industries International, manufacturers of car accessory products, yesterday announced plans for a merger which will create a group with a turnover of some £14m., earnings profits of over £1.2m.

After yesterday's rise in the share prices—Holt went up 5p to 37p and Lloyds 5p to 58p, the market capitalisation of the two groups is £5.4m.

Lloyds is best known for its Redex and Turtledax brand named motor accessories while Holt's range of products includes anti-freeze and body repair kits.

In a joint statement, the companies claimed that their products and the seasonal pattern of trading are complementary, and that the wider range of products which will be available to the new company will accelerate development of their international operations.

They added that the merger will create the largest car-care products organisation in Europe, and that there will be operating economies from the pooling of resources.

Terms of the merger are that a new company will be set-up, which will offer seven fully-paid shares for every 10 Ordinary shares of Holt, and one fully-paid for every one fuly paid share in Lloyds.

On this basis the present shareholders of Holt will receive approximately 62 per cent. of the shares in the new company.

● comment

Combined profits of Holt and Lloyds could emerge a fifth higher at £1.45m. pre-tax this year, with Lloyds contributing some 45 per cent. of the total. By comparison Lloyds' 32 per cent. share of the equity in the new company looks on the low side. But Holt is providing 68 per cent. of the assets of the enlarged group and it did have £643,000 of net cash in its last balance-sheet. The merger looks a natural, and has apparently been on the cards for years. The new group will have a spotless balance-sheet, with tangible shareholders' funds of around £3.6m. and no borrowings. And historic dividend cover of 2.4 times for both Holt and Lloyds means that the new company is nicely placed to take advantage this year of its immunity to dividend controls. Last night the combined market capitalisation was £5.4m.

Brammer sale to GKN

H. Brammer and Co. has agreed in principle to sell Replacement Services and E. S. Heap and Co., its subsidiaries engaged in the distribution of automotive parts and accessories, to Guest Keen and Nettlefolds for £1.2m.

The consideration is payable in full on completion of the sale, which is expected to take place by November 30.

Aggregate net book value at December 31, 1974, of subsidiaries being disposed of was £932,000. Aggregate pre-tax profits for the year ending on that date amounted to £76,000, and for the six months ended June 30, 1975, to £153,000.

Brammer says the sale has been negotiated because its continuing growth and influence in industrial replacement parts and components, places demands on resources which, in the longer term, would restrict the necessary expansion of the automotive wholesaling division.

Net proceeds, after repayment of inter-company loans and expenses, are expected to amount to £1.09m., which will be used to finance the growth and expansion of Brammer's Industrial Distribution activity.

Gadek Rubber reconstruction proposals

Gadek Rubber Estate has entered into an agreement with a Malaysian company, Batu Kawan Berhad, under which Gadek is to submit proposals for a reconstruction which will result in Batu Kawan and certain associates obtaining a 50 per cent. interest in its Malaysian estates.

The consideration will be based on a value of $M4.8m. (£906,500) for the two estates concerned.

Reconstruction is to be effected by a scheme whereby Gadek's Malaysian interests and its other assets will be split into two separate U.K. companies, to be called Gadek Malaysia and Gadek Indonesia.

Batu Kawan group will subscribe shares in Gadek Malaysia equal to 50 per cent. of the enlarged equity and the resulting cash will be injected into Gadek Indonesia.

As a result, Gadek shareholders will receive one share in Gadek Malaysia and one in Gadek Indonesia for each existing share held. They will then hold all of Gadek Malaysia and 50 per cent. of Gadek Malaysia—the remaining 50 per cent. will be held by Batu Kawan.

Conditions include approval and consents by authorities in the U.K. and Malaysia.

BTR—PERMALI

Under arrangements with Permali S.A., and others, BTR purchased on November 7, 11,292 Ordinary shares in Permali from Mr. J. R. Schvartz at 31½p. Mr. Schwartz is a director of Permali S.A. and Permali.

BTR, which is making a hotly-disputed bid for Permali, earlier purchased a 2.3 per cent. holding in the company from Permali S.A., which was Permali's original founder in 1937.

SHARE STAKES

Slater, Walker Securities, together with its investment trusts, etc., no longer have an interest in the Ordinary capital of Newman Granger Industries.

Sociedad Internacional de Bienes Raices has notified Reardon Smith Line that on October 30 it acquired a further 5,000 shares, on October 31, a further 10,000 and on November 5, a further 12,500, making its total holding 823,500 (20.1575 per cent.) Ordinary.

Mr. G. R. F. Tompkins has acquired an interest in a further 2,175 Stoneware Ordinary.

New Sylhet Holdings has been notified that Mr. J. A. Herbert and Associates are no longer interested in the 54,370 (28.3 per cent.) Ordinary shares in that company.

Mr. H. G. S. Groves, who already holds 11.7 per cent. of the voting shares in Cakebread Robey and Co., has advised that he holds the controlling interest in the Gentleman's Row Investment, and that company purchased 5,000 Ordinary (Voting) shares in Cakebread on October 22.

Prince of Wales Hotels announces that Mr. A. M. Clayman (director) has sold 81,667 Ordinary shares. Mr. B. Clayman has sold 81,666 shares, and Mr. C. Berlin 81,667.

Electronic Machine

Mr. Peter Tooke, chairman of Electronic Machine, told shareholders at the annual meeting yesterday that methods of resolving matters with the former chairman, Mr. Max Welling were being explored.

The company has said it has a valid claim against Mr. Welling for £250,000, but Mr. Welling has disputed this, and said he was preparing his own claim against the company for a substantial sum.

Yesterday, Mr. Tooke said a copy of the investigation carried out by the company's auditors had been sent to Mr. Welling on October 16.

"We have not yet had an opportunity of discussing it with Mr. Welling, but methods of resolving matters with Mr. Welling to the satisfaction of the Board are being explored," he added.

A spokesman for solicitors Turner Peacock, advisers to Mr. Welling, said last night: "We have no comment to make on anything said at to-day's annual meeting, except to confirm that the results of the investigation of the accountants were presented to us on October 16 and we are considering them."

On prospects, Mr. Tooke told the meeting that despite difficult economic and trading conditions, the group and its various divisions continued to trade profitably and he expected that, subject to no further deflation of the economy, profits for the current year would be comparable to those of last year.

In line with corporate policy the group continued to maintain a tight control of the cash position, and liquidity was "well within" available facilities.

Mr. Tooke referred to the New Products Division recently established, which had been formed with the objective of making selective, controlled, small investments in areas compatible to the group's existing products. The first investment resulting from the new policy was a 40 per cent. interest in Thermal Imaging of Bodmin, Cornwall.

Mr. Tooke announced that the Panax subsidiary had also negotiated a marketing agreement, with I.C.N. Pharmaceuticals, INC., life science group, of the Hague, a subsidiary of International Chemical and Neclear of Pasadena California, whereby that company would assume responsibility for marketing the group's laboratory instruments in the U.K. and Europe. Considerable long term benefits were expected to be derived.

The chairman went on to emphasise that these developments were the first stage in the planned expansion of the group and its product range, and while they might not contribute to profitability this year, they should ensure long term growth.

...ECENT ISSUES

EQUITIES

Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times covered	Gross Yield	P/E Ratio
F.P.	—	169	117	Corn Exchange	117	−4	b1.62	2.5	1.5	—
F.P.	7/11	380	335	Standard G'd Min'g 20c	350	−15	—	—	—	—

FIXED INTEREST STOCKS

Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£10	30/1	10	9⅞	Bristol (City of) 13¾% Deb. Stk. 1981	9¾	+¼
£50	11/2	30¼	29⅛	Coventry (City of) 13% Red. Stock. 1980	29¾	+¼
F.P.	15/10	138½	113	Haslemere Est. 9½% '90-5	122	......
£50	9/1	51½	49⅞	Islington 13% Red. Stk. 1980	51	+¼
£50	9/1	48¾	47½	Do. 14% Red. Stk. 1985/6	48	+¼
F.P.	28/11	99½	98¾	Lee Valley Water 9% Red. Pref. 1980	99¼	......
F.P.	—	100	98½	Midland Bank Float Cap Notes '82	100	......
F.P.	—	98	98	Noranda 9½% Notes 1980	$C.98	......
F.P.	—	98	98	Do.	$U.S.101¼	+3½
£25	23/1	27½	25	Norcros 16¾% Deb. 1990/95	27¼	+¼
Nil	17/11	¼p	¼p	Singlo 10% Cum. Conv. Pref.	¼pm	......
F.P.	28/11	120	100	Sparella 14% Conv. 1990	112	......
F.P.	—	98	98	Trans Union Fin Can 10½% notes 1980	$C.98	......
F.P.	31/10	99½	98¼	York Waterworks 9% Red. Pref. 1985	99	......

"RIGHTS" OFFERS

Amount Paid up	Latest Renunc. Dates †	†	1975 High	1975 Low	Stock	Closing Price p***	+ or −
Nil	—	—	16½	10	Amal. Distilled Products	13pm	......
F.P.	28/10	25/11	72	62	Babcock & Wilcox	72	+1
Nil	—	—	41	21	Cape Inds.	41pm	......
Nil	—	—	31½	24	Debenhams	30½pm	+½
F.P.	6/10	14/11	64	49	European Ferries	64	......
F.P.	30/10	28/11	72	60	Grand Met. Hotels	71½	−½
F.P.	28/10	12/12	377	330	I.C. Gas	377	+1
Nil	—	—	99	92	Mines Holdings	99pm	+2
F.P.	29/8	14/11	75½	60½	Norcros	75½	+1½
F.P.	30/10	9/12	89	69	Northern Foods	72	+3½
F.P.	3/11	3/12	29¾	25	Peacock Sasini	28	......
Nil	29/10	31/10	29	23	Raybeck	28pm	−1
F.P.	17/10	14/11	322	280	Royal Insurance	318	−4
Nil	—	—	3	3	Trust Bank Africa	3pm	......
Nil	12/11	14/11	23	10½	Weir Group	22½pm	−½

...unciation date usually last day for dealing free of stamp duty. a Placing ...o public. b Figures based on prospectus estimate. d Dividend rate paid or ...e on part capital, cover based on dividend on full capital. p*** Pence ...otherwise indicated. u Forecast dividend: cover based on previous year's ...s. T Figures assumed. ‡ Cover allows for conversion of shares not now ...r for dividends or ranking only for restricted dividends. — Issued by tender. ...red to holders of Ordinary shares as a "rights." ♥ 250 S.Afr. cents. ‡ Rights ...y of capitalisation. †† Tender allotment price. ⊕ Reintroduced. ‡‡ Issued in ...tion with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to ... Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or ...paid allotment letters. § With warrants.

Acrow's record £3m. at halfway

ON A TURNOVER up from £38.33m. to £51.13m., group pre-tax profit of Acrow expanded from £2.31m. to a record £3m. in the half year to September 30, 1975.

The interim dividend is stepped up from 1.75p to 2p net per 25p. The total for the year to March 31, 1975 was 3.689745p from a profit of £5.89m.

The group, formerly Acrow (Engineers), will "now be proceeding with the modernisation and extension of five U.K. factories to increase capacity to meet the challenge of the 1980's," says the chairman, Mr. W. A. de Vigier.

This international engineering group has interests in construction, bridging, materials handling and general engineering.

	1975 £000	1974 £000
	Half-year	
Turnover	51,126	38,327
Exports	26,091	15,061
Profit	3,003	2,310
Taxation	1,582	1,357
Net profit	1,421	953

See Lex
Statement Page 23

King & Shaxson interim up

FIRST HALF, to October 31, profits of bankers and dealers in currency bills, King and Shaxson, have been "satisfactory" the directors state.

The interim dividend is increased from 0.7p to 0.9p per 20p shares to reduce disparity between the interim and final, although it is intended to recommend a total for the year of not less than the maximum permitted.

For the year to April 30, 1975 a net total of 3.5426p was paid from a net profit of £328,563 after providing for rebate tax and transfer to contingencies.

Cost of the interim dividend is £110,768 (£93,582).

Dixons Photo in American market

Dixons Photographic has acquired the distribution rights for the U.S. and Canada for the Chinon brand of photographic and optical goods manufactured by Chinon Industries, Japan—trading will commence in the spring of 1976. Existing arrangements for private label distribution will continue.

Purchase consideration is 500,000 "A" Ordinary shares in Dixons valued at about £230,000 and ranking pari passu in all respects with those already in issue. The agreement will run initially for 10 years.

Mr. Hiroshi Chino, president of Chinon, will become an associate director of Dixons, which through its wholly owned Swiss subsidiary Chinon Sales S.A., has had the sole distribution rights for Chinon products in Europe since 1971.

Expansion continues at Bejam

THE GOOD FOOD trading conditions experienced towards the end of the year to June 28, 1975, had continued in the opening months of the current year, Mr. John Apthorp, chairman of Bejam Group, the freezer food centre chain, told shareholders at yesterday's meeting.

Since the beginning of the financial year, Mr. Apthorp reported, the group had opened 11 new freezer food centres, all in the 3,500 to 5,500 square foot category, and completed other extensions. At the same time, four of the earlier small freezer food centres had been closed.

Mr. Apthorp also announced a substantial increase in the group's investment in cold storage plant. A new cold store, costing, with the site, approximately £1.3m. had been commissioned at Farnborough in Hampshire.

This new centre would give, by the spring of next year, an additional 1.17m. cubic feet of storage space, and would enable the efficiency of distribution south of the river, where many of the most successful stores were situated, to be increased.

It would also help to give better service to stores in the west, and, at the appropriate time, facilitate expansion into South Wales, Mr. Apthorp pointed out.

And—of importance in maintaining the group's competitive position—the extra space would "give us opportunities to buy and store when the price is right," he added.

"This major new investment is necessary to keep pace with branch openings, a situation you will appreciate when I tell you that when we brought our distribution centre at Milton Keynes into use just two years ago, we owned 66 stores. Now we have 108, an increase of more than 60 per cent., and an active programme of new branch openings," the chairman concluded.

Mears Bros. recovery

Mr. A. K. L. Stephenson, chairman of Mears Bros. Holdings (civil engineering contractors, etc.), states that the recent disposal of the mining operation completes the company's disposal plans.

Cash proceeds will help to reduce borrowings and provide flexibility for the development and expansion of new and existing activities of the group.

The expected recovery, previously forecast, for the second half has been achieved, members are told, and audited accounts for the year to September 30, 1975 will show an overall profit—a loss, before tax of £310,000 was incurred in the first half.

The Board views the prospects for the year 1975-76 with confidence and, in the absence of unforeseen circumstances, expect to recommend a final dividend for 1974-75 of 0.85p making 1.52p (same) net per 25p share.

Dowding & Mills hopeful

MR. KENNETH SHARP, chairman of Dowding and Mills, the nationwide electrical and mechanical repair engineers, told the annual meeting yesterday he was hopeful that the figures for the first half-year, to December 31, 1975, would match those of 1974, when pre-tax profit was £592,243.

Although it was difficult to assess the future, total results for the first three months of the current year were "not less" than those of the corresponding period in 1974, he added.

Mr. D. Tucker, representing the M and G Group of unit trusts congratulated the company on fighting off the take-over bid from the General Electric Company of the U.S.

Spillers joint venture in Iran

The Spillers Group has announced the formation of Spillers Iran, a 50/50 joint venture with Industrial Developments and Services, an Iranian industrial company. Chairman of I D and S, Mr. Rahim Irvani, is also chairman of the Melli Industrial Group, one of the largest industrial concerns in Iran.

Mr. Frank Rymer, a member of Spillers management, has been appointed managing director of the new company, which will serve as a base for projects in Iran's private and public sectors in which Spillers has specialist knowledge and experience.

"Iran is a stable and fast growing country with food and agriculture high on its list of priorities. From personal observation I consider that there are exciting opportunities for our company," said group chairman, Mr. Michael Vernon.

Lucas gains from diesel demand & turns in £32m.

FOR THE year ended July 31, 1975 Lucas Industries has turned in pre-tax profits of £32.34m. These compare with £17.64m. achieved in the previous year, which was seriously affected by the three-day week.

At halfway, profits had doubled to £13m. In the 1972-73 year some £27m. was earned.

The results have been achieved in the face of world wide recession, the effects of which have been particularly felt by the car industries, the directors report.

Demand for cars had already fallen because of the petrol price and generally lower level of consumer spending; another adverse factor was that increased inflationary costs of manufacture could not be recovered immediately in higher prices.

On the other hand, the group has gained from the strong worldwide demand for its diesel engine equipment—principally in the U.K. factories but also in those overseas.

During the year the average number of employees in the U.K. was 68,693 (71,747) including part-time workers. Their total remuneration came to £171.789m. (£143.67m.) and in addition £20.37m. (£15.08m.) was paid for national insurance, company pension schemes and other employees' benefit schemes.

Earnings for 1974-75 are shown at 23.17p against 13.16p, and the final dividend is 3.3772p net per £1 share, to lift the total from 4.9245p to 5.2552p.

At July 31, the group was in a net cash deficit of £21.16m. against £11.8m. a year earlier. This was made up of cash £26.39m. (£28.75m.) less overdrafts and short loans £47.56m. (£40.55m.).

There were 13,783 (12,565) employees in overseas subsidiaries but this included for the first time Roto-Diesel in France and Acumuladores Vulcania in Brazil, which became subsidiaries during the year — these companies employed 1,700 at that time.

	1974-75 £000	1973-74 £000
Outside sales	570,180	452,771
Vehicle	455,773	355,891
Aircraft	70,971	60,939
Industrial	43,436	35,932
Home subs.	406,848	337,116
Overseas subs.	161,332	115,655
Depreciation	11,296	11,074
Trading surplus	38,533	19,049
Vehicle	33,122	16,846
Aircraft	936	1,150
Industrial	2,334	[illegible]
Home subs.	24,179	9,772
Overseas subs.	14,357	9,317
Associates profits	2,364	2,944
Investment income	176	93
Interest paid net	9,857	4,446
Loan capital	2,772	2,678
O'drafts, short loans	3,891	3,442
Interest recd.	787	2,672
Profit before tax	32,340	17,640
U.K.	19,400	8,000
Overseas	12,900	9,600
Tax	†15,720	[illegible]
Corporation	1,368	*214
Less DTR	1,611	894
Overseas	6,800	6,145
Deferred	9,962	4,174
Invest. grants	990	1,151
Net profit	16,620	9,550
Minority	311	314
Attributable	[illegible]	9,266
Pref. dividends	248	232
Ord. dividend	3,460	3,243
Employees' funds	250	250
To reserves	12,331	5,541

* Credit. † Includes £1.29m. (£1.33m.) in respect of associates.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-divisions shown below is based mainly on last year's timetable.

TO-DAY

Interims—Booth (International Holdings), Clement Clarke, Davies and Newman, Leopold Joseph, Minster Assets, Sumrie Clothes.

Finals—Anglo Scottish Investment Trust, A. Arenson, Burndene Investments, Common Bros., R. and G. Cuthbert, House of Sears, International Computers, Jokai Tea, Sandhurst Marketing, Suparo Investments, Tricoville.

FUTURE DATES

Interims—	
British Steam Specialties	Nov. 27
East Midland Allied Press	Nov. 12
French Kier	Nov. 27
Hartwells	Nov. 28
Hovertauchan	Nov. 18
Powell Duffryn	Nov. 15
Pyramid Group (Publishers)	Nov. 12
Renold	Nov. 21
Selection Trust	Nov. 20
Finals—	
Bertrams	Jan. 6
Brockhouse (J.)	Nov. 20
Burco Dean	Dec. 11
Comet Radiovision Services	Nov. 19
Malayan Tin Dredging	Nov. 18
Menteith Investment Trust	Nov. 13
NSS Newsagents	Dec. 10
Sheaf Steam Shipping	Nov. 18
Southern Malayan Tin Dredging	Nov. 18
United Industrial	Nov. 14
Wade Potteries	Nov. 26

Maintained profit from Homfray would be 'good performance'

IF CURRENT YEAR profits of carpet makers Homfray and Co. turn out to be similar to the £2.03m. achieved in 1974-75, chairman Mr. D. E. Gillam "would rate this a good performance."

So far there has been a slight increase in sales but with further pressure on profits, he says. Although there has been a significant reduction in manpower, the volume of carpet being produced is actually higher than it was in the latter part of 1974.

Mr. Gillam says the group is financially strong and operates efficient and modern plants, and is capable of producing excellent results.

Although there is an excess of productive capacity in the industry, the chairman has the "utmost confidence" in the future of Homfray and firmly believes that the time is right to prepare for further growth.

Delivery has just been taken of another carpet printing machine; and shortly there will be installed the necessary ancillary in order to have additional capacity in what is proving to be one of the growth areas in carpet manufacture.

Capital expenditure will be over £1.6m. which, with the attendant working requirements, will involve a total investment in excess of £4m. spread over at least two years.

The year ended June 28, 1975, was much in line with expectations, with sales at £29.22m. (£26.63m.) and profit before tax at £2.03m. (£3.04m.), as reported on October 1 with the 4.96p (4.61p).

Trade abroad accounted for 31 per cent. of turnover and 29 per cent. of profit. Direct sales overseas from the U.K. carpet subsidiaries rose by almost £1m. to £4.2m. Homfray Carpets AG has been formed in Switzerland to become the vehicle of a new impetus for exports to Europe.

The directors feel that the group borrowing limit is unduly restrictive, particularly when examined against the pressure imposed by inflation. Therefore, they propose an alteration to the Articles which will effectively raise the present limit from £3.73m. to £13.75m.

Meeting, Halifax, December 3, at noon.

Spencer Gears recovery prospects

Spencer Gears (Holdings), general engineers, manufacturers of industrial gears and manufacturing engineers to the brewery industries, reports a slight improvement in order books in the past few weeks.

And it is hoped that there will be further progress in the next few months, says the chairman, Mr. F. W. Forbes.

He stresses, however, that profit growth will depend on the level of the national economy.

As reported on October 25, group pre-tax profit contracted from £270,810 to £111,614 in the year to June 30, 1975, and the dividend is 0.886p net (same).

The downturn in the level of industrial activity affected the company, particularly in those subsidiaries serving the brewing industries. Profits from general engineering were similar to those of the previous year.

All the general engineering subsidiaries are now well placed to benefit from the anticipated recovery in the national economy, which it is hoped will start this year, the chairman reports.

As the range of products for the brewing industry is constantly being enlarged and improved, Mr. Forbes feels the company is well placed to obtain additional orders in the current year.

Meeting, 10 Belgrave Square, S.W., December 3, noon.

Chairman's statement Page 22

(Homfray Carpets text continued:) to R18.5m., showing a useful boost in margins.

On an unchanged tax ratio, the earnings rise was from 64 cents to 86 cents and the dividend has been lifted 6 cents to 26.5 cents.

The expanding mining sector has evidently accounted for the bulk of profits, with the main activity being the manufacture and sale of stone crushers, mills and related products for stone aggregate plants, quarries and mines. The outlook remains favourable.

Alva not to become unit trust

Shareholders of Alva Investment Trust yesterday rejected a move by Standard Guarantee, at a requisitioned meeting in Glasgow, to instruct the directors to reconstruct the company as a unit trust.

About 30 people attended the meeting, and the chairman, Mr. J. A. E. Kerr, announced at the outset that proxies received against the resolution represented 45.38 per cent., with 27.91 per cent. for reconstruction.

Mr. E. Vandyk, who appeared for Standard Guarantee in the absence through illness of Mr. P. D. Segal, called for a poll which resulted in 446,612 shares (27.91 per cent.) voting for the resolution and 784,815 (49.05 per cent.) against. Shares voting totalled 1,231,627 (76.96 per cent.).

Mr. Kerr said he was not surprised at the result because the bulk of shareholders were behind the Board who would determine future policy. He said he had no need to elaborate on his letter to shareholders pointing out the adverse effect of the proposal, particularly on a small company like Alva which had been paying a steadily increasing dividend without any lessening of the quality of the portfolio.

Alva had holdings in oil-related private companies which, at this stage, would be difficult to realise though in the long term might turn out to be of "considerable advantage," Mr. Kerr added.

Courtney Pope dividend

The directors of shop-fitting contractors Courtney Pope (Holdings) report that, arising out of the changed rate of imputation tax between the declaration and payment of last year's dividend, the Treasury advises that the already indicated final dividend of 2.548p net was overstated by 0.074p.

The final, therefore, now becomes 2.474p, making a total of 3.524p against 3.302p.

Good year for S. Osborn South Africa

Samuel Osborn South Africa, the 66 per cent. owned subsidiary of Samuel Osborn of the U.K., had another excellent year to September 26, last, with pre-tax profits rising from R2.6m. to R3.5m. on sales up from R16.5m.

FAIREY INDUSTRIAL

A new holding company has been formed to control the operations of four subsidiary companies in the Fairey Group. Known as Fairey Industrial Products, it will be responsible for Tress Engineering Company, Fairey Filtration, Fairey Winches and Fairey Stainless.

Scottish & Continental policy

In his annual statement, Mr. J. A. Lumsden, chairman of Scottish and Continental Investment, says that on present estimates it seems unlikely that revenue available in the current year will be adequate to meet a dividend of 1p—as paid for the last three years.

He explains this is partly because the company is now fully invested in equities, and the immediate yield will be lower than from temporary deposits.

The directors consider however that the company's policy should be to distribute as dividend each year the greater part of the revenue available, rather than to attempt to follow a regular pattern.

The primary objective of investment policy is to restore the capital position even if in the meantime such policy reduces the immediate revenue, says the chairman.

Equity prices are still at low levels and evidence of increased economic activity and a rising profits trend should encourage investor confidence. "It is therefore our policy to be fully invested and we are prepared to increase our gearing to a modest extent by raising currency loans when we feel the time is right with a view to providing capital growth," he adds.

As known, net revenue for the year to August 31, 1975, was £171,363 against £167,989.

There is now a surplus on the company's currency loans and at the year-end the investment currency premium on the loan surplus was £584,559, which is included in the valuation of net assets.

During the year currency borrowings were reduced by repayment in November, 1974, of Sw.Frs.12m. In January, 1975, part of French franc borrowing was replaced by a borrowing of Dutch guilders.

Meeting, 8, Crosby Square, E.C., on December 3 at 11.15 a.m.

Chairman's statement Page 23

East Asia committe[e] for Lloyd's Registe[r]

LLOYD'S REGISTER has formed an East Asia Committee under the chairmanship of Mr. Y. K. Pao, chairman of the World-Wide Shipping Group of companies.

The five vice-chairmen are Mr. M. Wong, chairman of Neptune Orient Lines, Singapore; Mr. G. Velasco, president and chairman of the Philippine National Oil Co.; Mr. L. Eu, general manager of the Malaysian International Shipping Corp.; Mr. Soekotjo, fleet director of Pertamina Shipping, Indonesia; and Mr. J. Y. Chung, chairman of Hyundai Shipbuilding and Engineering Co., Korea.

The other committee members are shipowners, shipbuilders and industrialists from Hong Kong, the Philippines, Burma, Thailand, Korea, Malaysia, Singapore and Indonesia. The East Asia Committee differs from the other 18 national committees of Lloyd's Register in that it represents not just one country.

First meeting

The first meeting of the committee will be held in Hong Kong on December 1, and attended by Mr. R. A. Huskisson, chairman of Lloyd's Register.

Mr. Pao, commenting on the choice of the venue, said: "I think Hong Kong is an excellent base for the committ[ee] inauguration and I think members will agree that de[spite] the significant strides made shipping in their own respe[ctive] countries, Hong Kong's shipp[ing] interests are taking a key p[art] in regional and internati[onal] developments."

He recalled that Lloyd's Re[gis]ter has had a long involve[ment] with most of the countries re[pre]sented in the committee w[hich] would further strengthen links between the area and register.

"There is no doubt that region continues to have a potential for renewed growth and Lloyd's Regis[ter's] decision to create this commi[ttee] at this time clearly reflects belief," Mr. Pao added.

Lloyd's Register has 11 off[ices] in the countries represented the East Asia Committee an[d] active in both marine work industrial inspection work.

Mr. Huskisson said: "In of our considerable interes[t in] East Asia and the wide involved, it is most importan[t to] maintain consultation with our clients to ensure that Llo[yd's] Register continues to pr[o] and improve its technical vices. The new committee is ear to the ground in East and we will listen very caref[ully] to what it says."

'Spending cuts could brin[g] rise in road accidents'

BRITAIN COULD face a sharp rise in road accidents this winter because of cuts in Government spending on road maintenance, it was claimed yesterday.

Surfaces in many parts of the U.K. are in a worse state than ever before, the British Road Federation said.

Local authorities say that standards are "extremely disquieting" and in some areas roads are being resurfaced on a cycle of more than 100 years, added the federation. One county in Wales had said that for minor roads this could stretch to 259 years.

In a letter to Dr. John Gilbert, Minister for Transport, Mr. Robert Phillipson, BRF director, said: "There is now an increasing fear that a severe winter could lead to a major collapse." Several years of mild winters had merely slowed down the deterioration.

The BRF calls for a special road safety watch during the winter and reserve funds marked for an emergency gramme of road maintenan[ce].

Cyclists and motor cy[clists] would be particularly vulner[able] if road surfaces were maintained.

Accidents could lead to increase in the number of cl[aims] for damages by road users highway authorities have a liability to maintain roads of danger."

In his letter, Mr. Philli[pson] said the 20 per cent. cut in m[ain]tenance expenditure on tr[unk] roads would lead to fur[ther] unemployment.

The federation has prop[osed] that on primary ro[ads] "standards of maintenance be maintained, both on and economic grounds. Par[t of] the cuts—which could £75m. a year—should be resto[red]."

"On minor roads a basic gramme of maintenance sh[ould] be kept going and the Gov[ern]ment must be ready to allo[cate] emergency funds."

Communists want Press bar on National Front

THE COMMUNIST Party of Great Britain told the Royal Commission on the Press yesterday that the facilities of any State-run national printing corporation should not be available to the National Front.

Mr. George Matthews, the party's head of publicity, said that such facilities should be open to a wide range of democratic organisations, particularly in the Labour movement.

But people should not be allowed to produce material which incited racial hatred, he said.

Organisations would have to demonstrate that they were reasonably efficient and not just "fly-by-nights."

The Communist Party was not opposed to organisation with diametrically opposite views having the facilities, but the National Front was in a special position.

Another Communist Party witness, Mr. George Jerrom, said the Scottish Daily News machinery would be tailor-m[ade] if a national printing corp[ora]tion existed, to be taken and used for printing subsid[ised] publications in the west Scotland.

The party's proposals editors should be required give print workers the op[por]tunity to reply to any con[ten]tious story would require setting-up of editorial mittees on every newspaper Professor Oliver McGre[gor] chairman of the Commission.

Although they had been cribed as practical propo[sals] they would create many diffi[cul]ties. "If your principle established, you would have have an editorial committee each newspaper, because range of circumstances in w[hich] contrary views would be quired to be published would very wide."

He said the editorial mittee would have to be sulted every time a newspa[per] was produced.

Wool textile chiefs seek help from Government

LEADERS OF the Yorkshire-based wool textile industry are to make a "save our industry" appeal to Mr. Eric Varley, the Industry Secretary, in London on Thursday.

The Wool Textile Delegation, the industry's senior organisation, has asked for a meeting with the Minister because of the continuing closure of firms in the industry and the spread of short-time working.

Mr. Roy Stroud, chairman of the delegation who will lead the deputation, said at Bradford: "There is real danger that our industry's productive capacity will be so reduced that it will be unable to cope with home and export trade requirements when the recession ends

"Unless the Government to help us through the immedi[ate] crisis, the loss of essential pl[ant] and personnel will seriou[sly] impair the industry's fut[ure] capability in regard to exp[ort] earnings and import savings."

Mr. Stroud said that Government should, at the least "take drastic measures stop the dumping of textiles clothing in the U.K."

The deputation is expected draw attention to the imports suits from Eastern Europ[ean] State trading countries which priced at less than half their U[K] counterparts. It is also likely discuss the extension of the scheme for textiles under Industry Act.

MAN proposing same dividend for 1974-5

GUY HAWTIN FRANKFURT, Nov. 10.

HINENFABRIK Augsburg-berg (MAN) is proposing changed dividend of 12 per or DM6 per DM50 nominal for the 1974/75 business which ended on June 30. ecommendation, which will to the February 12 annual ng in Augsburg, follows a visory board review of the results to-day.

Indication of the year's was given in to-day's ent. But it was reported the concern's turnover — ling subsidiaries—had risen M375m.—or 13 per cent.— DM2.81bn. in the previous ess year to DM3.19bn.

ile 1974/75 appears to have a considerable success, at in terms of sales and orders, are signs that business will e quite so buoyant during urrent year. The high level rders would ensure full ation of the engineering rn's capacity during the but orders apparently in the nt year have been down. s fall in orders was partly se the Federal govern-s investment incentive e expired on June 30. to this, orders had been as customers sought to y for benefit.

the longer term, an upturn ustrial investment both in Federal Republic and the 's industrialised countries be needed, said the report. e export front, the firmness dollar over the past few s could improve MAN's etitiveness in world markets. 1974/75 business year saw growth, particularly in the export markets. MAN, a subsidiary of the Gutehoffnungshuette group, stated that overseas sales as a proportion of turnover went up from 1973/74's 35 per cent. to 38 per cent. In 1973/74 there was a particularly powerful surge in lorry exports to the Middle East but the report contained no indication about current performance.

One of the concern's 100 per cent.-owned subsidiaries, Gutehoffnungs-Huette Sterkrade AG, a heavy plant and equipment manufacturer, did particularly well in 1974-75. *Turnover went* up by 21 per cent. from the previous year's DM509m. to DM615m. Against this, there was a 14 per cent. overall turnover decline in MAN's domestic associate companies.

Orders in the heavy engineering sector had remained relatively stable and as a result there had been no great change in the number of employees. Utilisation of workshop capacity had been generally good throughout the concern although in certain branches there had been problems with the flow of orders.

Mannesmann unit decline

BY GUY HAWTIN

MANNESMANNROHRENWERKE, the pipe-making arm of the Mannesmann group, has reported a considerable fall-off in the order situation during the third quarter. Virtually all product groups are affected, except oil field pipes, large diameter pipes and products for the commercial vehicle industry.

According to the concern, which published the figures in its works newspaper no real improvement is expected until the second quarter of next year. The report stated that in the third quarter steel pipe output was down 10 per cent. against the previous quarter of 1975 and 18 per cent. below the level of the third quarter of 1974.

During the first half of the year output remained some 5 per cent. above the 1974 level but the group in May announced that it was expecting demand to weaken in the second half. The first half growth was almost entirely export based and during the first quarter of the current year the proportion of overseas sales in total turnover went up from 49 per cent. in the first three months of 1974 to 57 per cent.

Dr. Egon Overbeck, the chief executive, forecast at that time that production would have to be cut back in June. Short-time working figures show that the brunt of the cut backs came in the third quarter. Some 3,000 workers were affected in July 1,790 in the holiday month of August and 6,450 in September.

EUPIC increases dividend

By Michael Van Os

AMSTERDAM, Nov. 10.

EUROPEAN PROPERTY INVESTMENT (EUPIC) says in its annual report covering the year ended June 30, 1975, that it is distributing Fls.1.92m. by way of dividend, compared with Fls.1.44m. the previous year. The dividend equals Fls.1.60 per share, which is 33 per cent. up on the year before.

EUPIC says in the report that, after writing off the remaining formation costs, the company earned an after-tax profit of about Fls.5.5m. (Fls.2.1m.), or Fls.4.61 per share. About Fls.3.6m. had been carried to the general reserve as a provision for possible adverse movements in property values, exchange rates and other variables.

The company's property, at cost, is valued at Fls.85.1m. on June 30, 1975, and Fls.50.2m. the year before, while net current assets reached Fls.52m. (Fls.82m.). Of the current assets, total deposits with bankers account for Fls.54.7m. Fls.86.2m.).

EUPIC says in the report that the Board has continued a "very conservative" policy toward investment. No new properties were bought during the year. The company, which is sponsored by eight European financial institutions and advised by Knight Frank and Rutley of London and Rheinisch-Westfaelische Immobilien Amlage of Dusseldorf, said it had been able to take advantage of the very high levels of short-term money rates in the first half of the year to earn a good return on its liquid funds. The reduced earnings from deposits in the second half was partly the result of falling interest rates as well as an increased investment in property. Rental income had risen to Fls.4.7m. (Fls.0.9m.) for the year.

Singer gets a new chairman after Kircher resignation

BY CANDACE CUNIBERTI NEW YORK, Nov. 10.

THE FINANCIALLY troubled Singer company, a diversified manufacturer and the world's largest maker of sewing machines, announced to-day that Donald P. Kircher has resigned as chairman of the Board and chief executive officer for reasons of health. His resignation is effective December 1, and he has been replaced by Joseph B. Flavin, who has been president of international operations and a director of Xerox Corporation.

Mr. Flavin has his work cut out for him, for in spite of an improved second quarter, third quarter losses reached $6.3m. on continuing operations, bringing the nine months' total to $7.3m. Extraordinary charges for discontinued operations, however, pushed the nine month's loss to $87.2m.

Singer is a far-flung and, many feel, hastily-constructed empire, with 22 acquisitions since 1963 in fields as diverse as aerospace and water meters. The company seemed almost fated to buy into a market at its peak, only to see conditions, and therefore earnings, deteriorate.

During Mr. Kircher's recent illness, the company has been in a holding pattern, with an executive committee of four operating chiefs trying to stem losses and turn the company around. Operating costs have been pared, the staff has been cut—11,000 employees were laid off—but it has been difficult to institute a long-range plan for the firm, a recurrent weakness that many feel has contributed to its present dilemma.

Mr. Kircher was in the unenviable position of being both the company's saviour and its downfall in the eyes of his critics. In 1955, Singer's share of the sewing machine market had fallen from 80 per cent. to 30 per cent. in the face of cheap Japanese imports.

When Mr. Kircher was appointed president and chief executive officer in 1958 he worked to reverse this trend and bring the company back into a strong competitive position.

Between 1958 and 1963 sales nearly doubled to $1.2bn and earnings more than tripled to $50.8m.

Then began the series of ill-fated acquisitions, ranging far afield from its basic product line, which still accounts for better than half of its sales.

One of the most controversial has been the Singer Business Machines Division—begun with the $181.6m. in stock used to purchase Friden, and untold millions in time and effort to make it pay off.

Paribas forecasts profit rise

PARIS, Nov. 10.

CIE FINANCIERE de Paris et des Pays-Bas (Paribas) said 1975 consolidated group profit should be clearly higher than the Frs.310m. worldwide 1974 profit.

Banking and financing results improved in the first nine months of 1975, interest rates have fallen since the start of the year in France and abroad which improved operating conditions compared with 1974, and increased portfolio revenues resulted from 1974 dividend payments, Paribas said in a report to be given to shareholders at any extraordinary meeting about its takeover bid for Cofimer Sa and Cegepar Sa.

It also said parent company 1975 net profit should be much higher than the Frs.120.7m. in 1974. Portfolio revenues for the parent company should be about last year's levels after taking account of dividends to be received before the year end or already received from the four holding company subsidiaries. Results from financing activity should be noticeably better, it added.

Reuter.

Japanese shipping lines losses

BY PETER DUMINY TOKYO, Nov. 10.

HALF-TIME reports from four of the six biggest Japanese shipping lines show the industry slump has greatly intensified since the end of the 1974-75 financial year, in which trading profits had on average risen in the first half and dropped 24 per cent. in the second.

This time, only Mitsui Osk reports higher operating revenues than a year ago (up 4 per cent. to $547m.) and it is the only company thus far to have avoided sharp setbacks at the trading profit and earnings levels.

NYK, the world's biggest shipowner, had a 2 per cent. drop in revenue to $625m., with pre-tax profit (before special items) crashing to $703,000 from $40.7m. Earnings came out at $1.6m. ($9m.)

The results were adversely affected by expiry of a number of charters under which company ships had been operating and which could not be renewed on favourable terms. In addition, NYK had to take delivery of some new tonnage, including, it is believed, more than one very large crude carrier.

The outcome would have been worse at the earnings level but for transfers from previous special depreciation provisions. In addition, the line is reported to have sought to reduce its fleet, selling 11 ships, including 3 tankers, for $8m. However, while that must have improved liquidity it produced a book loss.

Mitsui Osk had been widely forecast to come through the recession relatively unscathed, largely because it had adopted a comparatively prudent approach to tanker building during the boom. Trading profit was only 19 per cent. lower at $24m. The company is silent on earnings (claiming it is given this option under the new commercial code under which shipping companies generally are to issue annual reports at the end of March). It forecasts a virtually unchanged $10.3m. earnings were boosted by non-recurring items, including receipt of cancellation fees for charters, which rose $4m. to $8m. The company is maintaining its Yen 2 half-yearly dividend, whereas the others are postponing a decision until March.

Yamashita-Shinnihon suffered a 7 per cent. drop in operating revenues, to $266m. Trading profits fell to $5.5m. ($15.8m.) in the first half of 1974-75.

PUK sales downturn

PARIS, Nov. 10.

PECHINEY UGINE Kuhlmann reports a fall in net consolidated turnover for the first nine months of 1975 to Frs.13.60bn. from Frs.16.64bn. in the same period last year. The company said half of the fall was due to the decline in the value of copper and of the U.S. dollar.

Meanwhile the company has reorganised its U.S. business activities into three operating subsidiaries of Pechiney Ugine Kuhlmann Corporation, its U.S. unit.

The new subsidiaries are Howmet Turbine Components, Howmet Aluminum and Intsel. Howmet became a wholly-owned subsidiary following a tender offer last August.

The company said the restructuring will allow greater operating flexibility.

Reuter

Fiat sees signs of recovery

ANTHONY ROBINSON ROME, Nov. 10.

IEW mood of cautious ism is in the air at Fiat ving the latest management-talks on output, sales and tment prospects for the new

t notes signs of a recovery formerly depressed domes-tarket, strong demand for new Fiat 131 Mirafiori and a Beta range, and a healthy t demand in West German, linavian and U.S. markets articular. The fact that car division has already l1 days' production through time since this was intro-l in October last year also s that stocks are now down. normal 200,000 or so vehicles output is more or less in with effective demand.

this situation Fiat has told unions that it is able to ntee present employment throughout 1976 and also ds to start a limited process w hirings for the first time, er two years. Over this d natural wastage has ned Fiat's labour force by d 15,000, while next year intends to hire some 2,500 ers—200 at its Sicilian 126 bly plant at Termini ese, 550 at its Fiat 126 and iori production line, at Cassin, 750 at Lancia near Turin, 450 in auto production in the overall Turin area and 200 at its new foundry at Crescentino, also near Turin. At the same time Fiat has announced its intention to go ahead with the construction of a new bus assembly plant at Grottaminarda near Avellino and expansion at Termini Imerese.

In order to guarantee full time working in the auto sector, certainly for the first three months of 1976 and probably for the first six months as a whole, Fiat has however asked and obtained agreement from the unions for one last three-day short time period over the Christmas/New Year period, which means that Fiat car plants will be closed from December 24 to January 6.

The upturn in the car sector has not however been matched in the truck, earthmoving equipment, bus, machine tool and fork lift truck sectors where the effects of the current recession are still being felt. Fork lift orders, for example, are down by 70 per cent. Fiat underlines, however, that the crisis in these sectors, in which Fiat has invested massively in recent years, is exclusively cyclical in nature and is confident of further expansion once the overall economic situation permits.

All these sectors however will be obliged to accept considerable short time working. The Lecce earthmoving plant, for instance, has to lose 19 days production between now and January 11, the machine tool plant eight days before the end of the year, while truck production will be halted for 11 days up to January 9 with the prospect of normal working after then until the end of March.

Both the job guarantee for the whole of 1976 and the news of a recovery in the crisis-ridden car sector, plus the announcement of 2,500 new jobs, has served to ease relations between unions and management. Both agreed on regular meetings to monitor the crisis in October last year in a move which heralded a major step forward in management-union relations in Italy's largest private company. Fiat management hope that this will be taken into account when unions and the representatives of the entire engineering industry get down to serious negotiations later this month for renewal of the three year national labour contract.

Little optimism at Aker

BY FAY GJESTER OSLO, Nov. 10.

NORWAY'S Aker shipbuilding group finds "little reason for optimism" about its prospects under to-day's "exceptionally poor market conditions." This is stated in a report on the Group's activities during the first eight months of this year. Estimated operating result in the period, before taxes and allocations, but after depreciation (amounting to Kr.50.9m.) is Kr.20.2m., compared with Kr.24.6m. in January-August, 1974.

The Group expects that the results for 1975 as a whole, after full depreciation, will be "somewhat down" on the 1974 outcome, which was Kr.38.7m.

Value of output in the eight months is put at Kr.2.3bn., compared with Kr.1.35bn., reflecting not only the group's increased activity but also the increase in wages and costs. Orders at the end of August this year were worth Kr.3.9bn., Kr.2bn. down from a year earlier.

The report points out that world over-capacity in shipbuilding has seriously depressed prices. Aker has mounted an extensive sales campaign to try to fill some of the gaps in its production programme, caused by tanker order cancellations. Though these efforts have achieved "some positive results," the group has assured employment only until Autumn 1976.

The offshore picture is clouded by the fact that activities on Norway's shelf are at a very low level. For the time being, no increase of activity is planned. Moreover, orders on the British Continental shelf are likely to become "increasingly difficult to obtain . . . due to the policy of the British Government." Indications are that it will be hard to get enough employment in the offshore sector for 1977, and "it is feared that 1977 will be a very difficult year."

The report surveys the main steps taken by the authorities and by the Group itself, to deal with liquidity problems that followed the tanker cancellations. It predicts that liquidity problems will be "brought under control in the time to come, assuming that success is achieved in promoting production according to plan.

Warby plans to invest Kr.60m.

By John Walker

STOCKHOLM, Nov. 10.

WARBY, a brewery owned by the Swedish co-operative association is to invest Kr.60m. (£7m.) in its Stockholm brewery to increase production of beer and soft drinks. Warby is the second largest brewery in the country and last year had a 9 per cent. share of the beer market and nearly 14 per cent. of the soft drinks market.

The investment programme should be implemented by the end of 1979. At the same time the company is setting out its long-term programme which will extend well into the 1980s. Last year Warby sales increased by 15 per cent.

Peru's fund raising plans

Financial Times Reporter

A $60M loan for the Republic of Peru has now been signed. Originally scheduled to be $50m., the loan offers a spread of 1½ per cent. over a 3½ year maturity. It was jointly arranged by various banks in the First Chicago group.

The proceeds of the loan will be put towards the cost of oil imports. Sig. Alvaro Meneses general manager of the Banco de la Nacion, said at the signing ceremony that Peru should be self-sufficient in oil by 1977.

Further Euromarket financing of between $30m. and $40m. will be sought by Peru this year, he continued, while borrowing of some $300m. will be arranged with commercial banks next year. Peru also expects to borrow from the IMF next year.

Peru's total foreign debt amounts to about $2.9bn. repayable over sixteen years, Sig. Meneses noted.

★

The African Development Bank is raising between $30m. and $40m. on the Euromarkets, Reuters reports from Paris. The loan will offer a spread of 1½ per cent. together with participation fees ranging from ¼ to ⅜ per cent. The loan, which is for general-purpose financing, will be for five years. Lead managers are Crédit Commercial de France and Scandinavian Bank.

The African Development Bank recently raised $25m. for five years on a spread of 1½ per cent. to finance its new headquarters at Abidjan.

★

Nordic Bank, the London consortium bank owned by Den norske Creditbank, Kansallis-Osake-Pankki and Svenska Handelsbanken, has opened a branch in Singapore. This is the bank's first full branch in the Far East.

Pernod-Ricard bids to become major European drinks group

Y RUPERT CORNWELL PARIS, Nov. 10.

CURRENT takeover offers ernod-Ricard for the smaller ch drinks concerns of nier and Distilleries Reunies ncreasingly looking like the steps towards what could be reation of the largest wines spirits concern on the con-it of Europe.

e bid for Cusenier, which t from the liqueur of that is responsible for a range peritifs, already seems well the way to success. This e-end the Cusenier Board, h holds around 40 per cent. the company's capital, unced acceptance and recom-ded other shareholders to do vise.

for Distilleries Reunies, the od-Ricard offer has been pitched high. The terms unveiled 10 days ago valued its shares at Frs.371 apiece compared with a previous Frs.281. Since then its share quote has moved up to slightly under the level of the bid.

However, it is not the immediate prospect of acquiring two groups, each with annual sales of Frs.120m.-Frs.150m. to add to the Frs.2.46bn. of Pernod-Ricard, which has so intrigued the Paris financial market.

Much more important, control of Cusenier—which now looks practically certain—would give Pernod-Ricard a majority stake in CDC, the second largest French specialist in wine-based aperitifs, and whose brands include such household names as Cinzano, Dubonnet and Byrrh.

The company already has 26.8 per cent. of CDC. Added to the similar holding of Cusenier, this would give it 53.7 per cent. and there is widespread speculation that an offer for outright control would shortly follow. The outcome would be a diversified drinks group with annual sales of around Frs.3bn. (£330m.), with substantial foreign interests.

However, the possibilities do not end there. CDC's most tempting asset is, perhaps, its 44 per cent. stake in Societe des Vins de France (SVF), the largest French wine merchants, with sales of around Frs.1bn. yearly, but whose business has been stagnating as a result of the gradual decline of ordinary wine consumption among the French.

The group is effectively run by M. Paul Cremieux, who last year succeeded in lifting profits from a mere Frs.52,000 to Frs.5.8m. He is unlikely to tolerate any attempt to take control from his hands.

Karstadt profits

IN OUR issue of Tuesday, November 4, it was stated that Karstadt, one of the leading West German department stores, had suffered a slight decrease in profits during the first nine months of the year. The report should have read that Karstadt had registered a small increase in profits, compared with the previous year's performance.

Karstadt ascribed the increase primarily to improved results at its new department stores and lower initial costs during the report year. As the November 4 article pointed out, Karstadt is forecasting a satisfactory year's outcome.

Big losses at Piper

Y ROBERT MAUTHNER PARIS, Nov. 10.

ER Heidsieck, France's third est champagne company, announced a substantial loss rs. 4.8m. in the first half of year, compared with pre-tax its of Frs.4.0m. during the e period of 1974.

he loss was due mainly to a natic drop in first half sales 19 per cent., compared with first six months of last year, result of slack demand in ort markets.

nce the end of June, how-r, the situation has improved siderably, with demand pick-up not only in the U.S. but other important export mar-; like Italy and the Benelux ntries.

here has also been a lively resumption of sales in France itself, and they are expected to have risen by as much as 50 per cent. in volume during the third quarter.

Thanks to the improvement during the past three or four months, turnover in 1975 could well equal that of 1974, an exceptionally good year.

Meanwhile, another of France's big champagne and spirits houses, Moet-Hennessy, has announced a modest rise in turnover for its champagne, cognac and perfume divisions for the first nine months this year to Frs.691m. from Frs.662.1m. for the corresponding period of 1974, hardly sufficient to offset the rate of inflation.

Record sales for BMW

BY NICHOLAS COLCHESTER BONN, Nov. 10.

W, THE Bavarian motor com-y, is headed for record iveries and turnover in its rent year. The company mates that its sales will be by 25 per cent. to around 3.2bn. To the end of October increase of 29 per cent. was istered and 45 per cent. of nover was obtained overseas. otal deliveries for 1975 are imated at 225,000 after 184,330 in 1974. This record level of deliveries will not, however, lead to a record level of profit which will lie below the earnings of DM93m. reported for 1973 but above 1974's after tax profit of DM42m. This will allow BMW to at least repeat last year's dividend of DM7 per DM50 share and have profit left over for reserves.

A dividend increase is not ruled out.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8¾pc 1986	96	97
Ashland 8pc 1987	90	91
Austrasalss 8pc 1987	96	91
BFCE 9pc 1980	98½	99½
Borregaard 8½pc 1989	92½	93½
Carrier 8pc 1987	88½	89½
Conoco 8pc 1988	93¼	94¼
Consd. Foods 7¾pc 1991	86½	87½
Cutler Hammer 9pc 1987	91½	92½
EIB 9¾pc 1985	100½	101½
Esso 8pc 1986 Nov.	95	96
General Cable 8¼pc 1987	87½	88½
General Motors 8¾pc 1989	101½	102½
GTE 9¼pc 1980	93½	94½
ICI 7¾pc 1982	79¼	81¼
Nat. Grindlays 7½pc 1987	74	77
Pacific Light 8pc 1988	88½	89½
Prov. of Quebec 7¾pc 1988	88	89
Quebec Hydro 8½pc 1988	97½	98½
Queensland 8¾pc 1987	88½	89½
Scanraff 9¾pc 1988	95½	96½
Shell 8pc 1986	94½	95½
Stand. Oil (Ind.) 8¾pc 1988	98	100
Tenneco 7¾pc 1987	86½	87½
Transocean 8pc 1985	94½	95½
TRW 8¾pc 1985	98½	99½
Utah 8pc 1987	90½	91½
Volvo 9¾pc 1985	99½	100½
NOTES		
Air France 9¾pc 1982	100½	101½
Aust. Ind. Dev. 10¼pc 1981	102½	103½
Barclays 7¾pc 1979	96	97
Cie Ntl. du Rhone 10pc '82	102½	103½
Du Pont 7¾pc 1978	101½	102½
Esso 7¾pc 1978	100½	101½
General Motors 6¾pc 1978	100½	101½
Marubeni 9¾pc 1982	100½	101½
Nippon Fudosan 10¾pc 1981	102½	103½
Skand. Enskilda 10¾pc '81	103½	104½
Tenneco 7¾pc 1979	98½	99½
Tokyo Curacao 10¼pc 1981	102½	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	79	81
Ashland 5pc 1988	77	79
Beatrice Foods 4¼pc 1992	94	96
Beatrice Foods 4½pc 1992	101	103
Borden 5pc 1992	92½	94½
Broadway Hale 4½pc 1987	73½	75½
Canon Camera 7¾pc 1989	85	87
Carnation 4pc 1987	56	58
Chevron 5pc 1988	98	100
Dart 4¾pc 1987	90	92
Eastman Kodak 4½pc 1988	114½	115
Economic Labs. 4¾pc 1987	77	79
Eidal 7½pc 1989	77	82
Fed. Dept. Stores 4¾pc '85	130	132
Firestone 5pc 1988	88	90
Ford 6pc 1986	86	[illegible]
Ford 5pc 1988	77½	[illegible]
General Electric 4¼pc 1987	82	84
Gillette 4¾pc 1987	73	75
Gould 5pc 1987	87	89
Gulf and Western 5pc 1988	86	88
Harris 5pc 1992	66	68
Honeywell 6pc 1986	76	78
ITT 4½pc 1987	69	71
Komatsu 7½pc 1990	101	103
J. Ray McDermott 4¾pc '87	110	112
Mitsui 7¾pc 1990	101	103
J. P. Morgan 4¾pc 1987	96	98
Nabisco 5¾pc 1988	91	93
Owens Illinois 4½pc 1987	86	88
J. C. Penney 4¾pc 1987	76	78
Pioneer 6¾pc 1989	136	138
Rank 4½pc 1992	41½	43½
Revlon 4¾pc 1987	97½	99½
Sperry Rand 4¼pc 1987	86	88
Squibb 4¼pc 1987	82	84
Texaco 4¾pc 1988	74	76
Toshiba 6¾pc 1990	101	103
Union Carbide 4¾pc 1982	102	104
Warner Lambert 4¾pc 1987	91	93
Warner Lambert 4¾pc 1988	77	79
Xerox 5pc 1988	76	78

Source: Kidder, Peabody Securities.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Little change: awaiting NY City news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Nov. 10.

LITTLE CHANGE was recorded on Wall Street to-day, as moves continued to prevent a New York City debt default.

The Dow Jones Industrial Average finished 0.32 off at 835.48, after dipping 5.51 to 830.29. The NYSE All-Common Index shed 1 cent to $47.23, while losses led gains by 771-to-628. Trading volume further decreased 1.02m. shares to 14.91m.

The White House reiterated that President Ford would veto a Federal bail-out of the City as New York State Governor Hugh Carey and Mayor Abe Beame were testifying in favour of Federal assistance.

Another adverse factor was a Press report that the Federal Trade Commission Staff is considering an Anti Trust investigation of General Motors, which fell $2¼ to $55½.

Otis Elevator added $2¾ at $41 and United Technologies $1¼ at $50—Otis said an unnamed "large U.S. Corporation" is thinking of making an offer for its stock in competition with United Technologies' offer.

Missouri Portland Cement moved up $2¾ to $22¾—it called H. K. Porter's $24 per share offer "inadequate."

Tesoro Petroleum picked up $1¼ to $14¾ on its 15 cents increased quarterly dividend to 25 cents per share.

Phillips Petroleum were $1¼ higher at $49¾—it resumed Norwegian North Sea oil production.

Norris Industries slipped $1¼ to $28½—its Vernon, California, plant was hit by labour problems.

Sears Roebuck gained $1¾ to $73¾ on a 25 cents year-end extra dividend.

Burroughs dropped $2¾ to $78½, Trinity Industries $1¼ to $26½, Perkin-Elmer $1 to $23¾, Chicago Pneumatic Tool $1¾ to $26½.

U.S. Steel lost $1¼ to $60¾ and Air Products and Chemicals $2¼ to $60¾.

Continental Oil gained $2¼ to $37¾ and Swank $1 to $10¾.

The American SE Market Value Index moved up 0.20 to 86.63, although declines outnumbered advances by 317 to 253.

Houston Oil and Mineral, the most active issue, rose $1¼ to $32¾—a well in the Texas City Dike Field, East of Texas City, encountered 34 feet of net gas sands.

Bank of Nova Scotia were lifted $1¼ to $44½.

Falconbridge Nickel dipped $1 to $27½—it is cutting production and jobs at Sudbury, Ontario.

PARIS—Hesitant in very calm trading, with operators unwilling to open new positions ahead of to-day's Armistice Day Holiday.

Banks fell back noticeably on fears of tighter credit restrictions.

Holdings, Constructions, Engineerings and Electricals mostly improved, while Foods, Motors, Metals, and Oils eased.

In Chemicals PUK gave ground on lower consolidated net turnover for the first nine months.

In the Foreign sector Americans, Dutch and Canadians slipped back, Belgians advanced while Germans finished mixed. International Oils declined, as did Gold Mines. Coppers hardly moved.

BRUSSELS — Closed yesterday and to-day for Armistice Day Holiday.

AMSTERDAM—Dutch Internationals were generally very steady in an otherwise easier market. Investors held back ahead of the third quarter reports due this week from Unilever, up Fls.0.4, Philips, off Fls.0.2, and Estel.

Shippings fell, led by Van Ommeren which declined Fls.3 to Fls.230.

State Loans were very steady, reflecting oversubscription for the latest Gemeenten Bank Loan and news of Unilever's Fls.125m. issue at 8.75 per cent.

SWITZERLAND—Firm on selective demand.

Bankgesellschaft and Kreditanstalt Bearer led Banks higher.

Bally rose Frs.60 to Frs.645 on rumours of a possible takeover.

Insurances were stronger, apart from easier Rueckversicherung Registered.

Industrials were narrowly easier.

State Bonds were little changed.

Foreign sector was moderately active. Dollar stocks were narrowly mixed, Dutch Internationals barely steady, while Germans were well maintained.

MILAN—Weaker on technical sales, especially active in the last part of the session.

Fiat, however, rose Lire 6.5 to Lire 1,119.5, influenced by the Agreement between Unions and the company management about future plans.

GERMANY—Generally firm on good Institutional and Foreign demand.

Banks, Motors and Electrics were strong with Deutsche Bank up DM5.80 at 333.8.

Motors mostly advanced. Daimler gained DM3 to 343.50. BMW rose DM3.5 to 232—its dividend "should be unchanged on higher sales."

Dub-Schultheiss, up DM4, Demag, up DM2.8, Schering, up DM5, and Casella, up DM5, were particularly sought, while other Chemicals and Engineerings slipped a little. Stores were mostly easier, but Karstadt put on DM3 to 443.

The Bond Market was again very quiet. Narrowly mixed.

OSLO—Banking, Industrials and Insurances were quiet, while Shippings were slightly irregular.

VIENNA—Generally very steady, although leading Banks firmed markedly.

COPENHAGEN — Mixed, with Banks steady, Shippings little changed and Industrials generally higher.

HONG KONG—Prices declined in light trading.

Hong Kong Land were down 5 cents to $HK6.10, Hutchison 1 cent to $HK1.71, Jardine 30 cents to $HK21.40, Hong Kong Electric 2½ cents to $HK3.375 and Hong Kong Telephone 20 cents to $HK16.00.

TOKYO—Higher, but early gains were pared by late profit-taking. Volume 170m. shares.

Market leaders and incentive-backed shares were selectively bought. Olympus and Asawi Optical each gained ground.

Pharmaceuticals, Electrical Appliances, Motors and Precision Machineries were steady, despite late profit-taking, but Shipyards and Shipbuilders were lower.

AUSTRALIA—Firm in quiet trading.

Pancontinental jumped 30 cents to a new peak of $A7.20, Peko-Wallsend rose 15 cents to $A4.50 and Queensland Mines put on 8 cents to a new high of $A1.76.

BHP gained 6 cents to $A6.88.

In Coals Utah rose 4 cents to $A9.34 on a "sharply" increased dividend.

JOHANNESBURG—Gold shares were easier, reflecting lack of support and lower bullion prices.

Financial Minings were little tested.

Industrials were steady in featureless dealings.

OTHER MARKETS

Canada again mixed

Canadian Stock Markets remained mixed in light trading yesterday.

The Industrial Share Index rose 0.76 to 171.00 and Banks put on 1.30 to 255.84, but Golds gave way 4.11 to 269.11, Base Metals shed 0.21 to 71.93, Western Oils lost 0.48 to 198.28, Utilities dipped 1.20 to 123.33 and Papers were down 1.54 to 94.17.

Indices

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Nov. 10	100.05	89.34
7	100.65	89.53
6	100.22	89.55
5	99.56	89.15
4	99.11	86.51
3	98.61	88.09
Oct. 31	99.74	89.04
1975 High	107.40	96.91

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Nov. 6	Oct. 30	Oct. 23
On Dividends	6.59	6.50	6.47
On Earnings	11.01	10.77	10.58

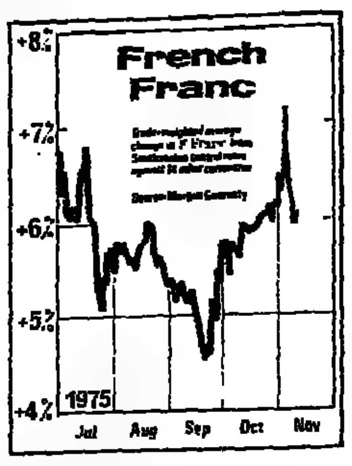
$ & £ unchanged

The U.S. dollar and sterling showed little change in the foreign exchange market yesterday, and trading was very quiet, partly in anticipation of to-day's closure of the U.S. and some European centres. The dollar remained subdued by the uncertainty which surrounds New York's financial problems and also by indications that the latest cut in U.S. banks' prime lending rates may mark the end of the recent downward trend in U.S. interest rates. The dollar's trade-weighted average depreciation, against 14 currencies, since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York on noon rates, was unchanged at 2.78 per cent.

Sterling's trade-weighted average depreciation, against 10 currencies, since the Washington Agreement, as calculated by the Bank of England, was unchanged at 29.3 per cent., and remained at that level throughout.

The pound began at $2.0645-2.0655 and touched a level of $2.0680-2.0690, before easing to $2.0655-2.0665, a gain of 10 points on the day.

Gold lost $¾ to $144-145 in fairly quiet trading. The kruggerrand finished at $148½-150½ (£71¾-72¾) in the domestic and international markets. The coin's premium over its gold content was 3.29 per cent., compared with 3.28 per cent. previously for domestic delivery, and 3.63 per cent. in international dealings.



SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Nov. 10	Nov. 7
Sterling	0.572761	0.572388
U.S. dollar	1.18361	1.18410
Belgian franc	—	45.8336
Deutsche mark	3.03443	3.05366
French franc	5.17238	5.17481
Italian lira	798.878	798.735
Japanese yen	357.687	357.561
Dutch guilder	3.11763	3.11478
Swedish krona	5.15576	5.16800

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Nov. 10	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf't.	—	2.562-565	56.60 70	6.65-64	5.295-305	97.25-40	97.2-.30
N. York	38.97-99	—	22.87-89	2.525-590	2.0650-0660	37.03-32	37.45-77
Paris	170.375-775	4.365-375	—	11.290-315	9.0275-0525	165.70 10	165.95-6.35
Brussels*	15.08-11	38.63-71	8.84-87	—	80.05-15	14.69 73	14.68-72
London	5.29½-30½	2.066-067	9.02¼-¾	79.80-80.0	—	5.44-46	5.44-45
Am'erdam	102.70-75	2.6327-62	60.245 295	6.8065-8115	5.44½-65	—	99.855-988
Zurich	102.75-85	2.6545-65	60.18-56	6.79¼-81	5.4465-4505	100.06-15	—

OVERSEAS SHARE INFORMATION

FARMING AND RAW MATERIALS

[L]ead and [z]inc surplus [e]xpected

GENEVA, Nov. 10.

[SUPP]LIES OF lead and zinc are [expec]ted to exceed demand in [1976] but all forecasts should be [treat]ed with caution because of [u]ncertain economic circumstances, say the International [Lead] and Zinc Study Group, [repor]ts Reuter.

[A] sharp downturn in world [econ]omic activity brought un[prece]dented changes in the lead [and] zinc situation this year, [the g]roup notes in a report on [its fi]ve-day annual meeting.

[Est]imates now show apparent [consu]mption of zinc in 1975 to [be m]ore than 1m. tonnes lower [than] last year's 3.5m. tonnes. [Lead] consumption is estimated [to h]ave dropped by more than [...]00 tonnes, to 3.15m.

[Bu]t these falls might have [been] exaggerated because con[sum]ption statistics do not fully [refle]ct movements in consumer [stock]s, the report says.

[Al]though many lead and zinc [prod]ucers severely curtailed pro[duct]ion, several new zinc re[fineri]es started up and supplies [were] less than consumption, with [subs]equent increases in stocks. [In th]e last 12 months producers' [stock]s of lead doubled and zinc [wa]s trebled.

[Ou]r Commodities Staff writes: [Lead] and zinc prices eased [sligh]tly on the London Metal [Exch]ange yesterday in feature[less] trading. As expected, lead [stock]s in LME warehouses rose [...]50 tonnes last week, to 81,900, [and] zinc by 200, to 62,025 tonnes.

[In] the absence of fresh buying [inter]est, copper prices fell during [the] day, cash copper wirebars [closi]ng £3.75 down, at £582.25 a [tonn]e. Stocks rose by 4,500 [tonn]es, to 463,875.

[D]espite a small 20 tonne drop in stocks, to 5,770 tonnes, some quite heavy buying of [the] metal—believed to be on [beha]lf of the International Tin [Buffe]r stock—cash tin closed at [£3,0]?5 a tonne, down £7.5.

[LM]E silver stocks were [unch]anged, at 17,110,000 troy [ounc]es.

[HA]ZELNUT OUTPUT

[By] Our Own Correspondent

ANKARA, Nov. 10.

[Tu]rkey's hazelnut output is [esti]mated in trade circles to be [...]00 tons, 27 per cent. higher [than] last year.

[In] 1974, Turkey earned $173m. [fro]m hazelnut exports, which was [the] fourth biggest item on the [agri]cultural exports list following [cotto]n, tobacco and fresh fruit [and] vegetables.

[Ex]ports this year are consider[ably] lower than last year. In the January-August period, [...]m. kilos of hazelnuts were [exp]orted, a fall of 41.5 per cent., [com]pared with the corresponding [peri]od last year. Earnings [decr]eased in this period by 27 per [cent.], to $78.9m.

Bigger U.S. maize crop forecast

BY DAVID BELL

WASHINGTON, Nov. 18.

THE LATEST estimate of the *U.S. maize crop*, released to-day by the Department of Agriculture, suggests that the crop will be 25 per cent. higher than last year and enough to meet all predicted domestic and export needs.

The department reckons that the maize crop—147m. tonnes (5.804bn. bushels) will be a record and leave enough for the U.S. to increase its reserve supplies for next autumn. Total production of all crops is also said to be running at record levels. The latest maize projection is even higher than that released by the USDA in October.

No new forecast has been made for wheat this wheat this month now that the winter crop has been harvested, but last month it was estimated that the crop would be a record 52.2m. tonnes (2.138bn. bushels) enough both to meet home and export demand and to begin *replenishing* the nation's depleted reserve stocks.

The U.S. has already sold 8.7m. tonnes of maize to the Soviet Union and fresh sales are likely. Mr. Earl Butz, the agriculture Secretary, said recently that Soviet orders for maize and other crops could eventually reach about 17m. tonnes. Contracts for the sale of some 13.1m. tonnes have already been reported.

These figures also bode well *for the economy* as a whole, since the department says the crop estimates are large enough *to ensure that retail food price* increases will be kept down to between 4 and 5 per cent. in the first half of next year—about half the rate of this years increases and a marked improvement on the 14.5 per cent. food inflation rate of 1973 and 1974.

A record 1975 U.S. maize crop was forecast in Chicago yesterday by Conrad Leslie, leading private crop forecaster.

His latest prediction of 5,868m. bushels is 130m. above that of the U.S. Department of Agriculture in October and well above the 1973 record of 5,646m. bushels. It came only a few hours before the USDA was expected *to release its own crop* reports, after the close of Chicago markets.

Conrad Leslie also forecast that the total U.S. soyabean crop would be 1,535m. bushels—61m. higher than last month's USDA figure *but below the record of* 1,547m. bushels harvested in 1973.

He predicted that the average maize yield would be 88.2 bushels an acre, against last month's USDA figure of 86.2, last season's 71.3 and the 1972 record of 97.1.

Leslie forecast that the average soyabean yield would be 28.7 bushels an acre, compared with the USDA October projection of 27.5, last season's 23.5 and the 1973 record crop yield of 27.7.

Crops in Illinois, Iowa and Minnesota were nearly all *harvested at the end of the* month. This compared with usual progress of 85 per cent. The absence of a killing frost during October permitted full maturity of the crop in nearly all areas of the country this season.

Reginald Dale, our Common Market Correspondent, writes from Brussels, meanwhile, that the EEC seems unlikely to be able to meet all the requests that have been made to it for food aid in the coming year. The Brussels Commission says that requests have already been received from 36 countries or international organisations for a total of 1.86m. tonnes of cereals for the 1975-76 season.

But the Community will only be able to supply 707,850 tonnes following the refusal by governments of the Nine to allocate funds for increased amounts under next year's EEC budget. This represents 55 per cent. of the total joint commitment by the Community and the member states of 1,287,000 tonnes.

With the European Parliament due to debate the budget—and *restore some of the Council's* cuts—in Luxembourg this week, the Commission has renewed its appeal for increased food aid. It said the Council should reconsider its decision to reject the Commission's original proposal, *raising the Community total* from 707,850 tonnes to 1,064,300.

Paris sugar settlement plan

BY RUPERT CORNWELL

PARIS, Nov. 10.

PARIS SUGAR dealers and speculators now have only two weeks to agree to a new set of compromise proposals which probably offer the last available way out of the tangle caused by the collapse of the whites market in December 1974.

The latest scheme has been worked out by the Ministry of Commerce, ultimately responsible for commodity trading here, and a senior lawyer, M. Jean Pesson, provisional head of the Caisse de Liquidation settlements fund since last July.

The key element in the package is a proposed "general settlement" of the major outstanding position at the time of the market's breakdown, that of March 1975, on the basis of Frs.6,017 per tonne, Frs.200 below the then market price of Frs.6,217.

In addition, French dealers will be asked to make a special *tonne for positions in the name* of their domestic French clients, who were unable to use international arbitrage facilities. Under this formula, the total sum to be found would be about Frs.200m., compared with potential losses of Frs.800m. if liquidation was carried out on the basis of today's price of Frs.1,700 per tonne.

Of this Fr.200m., Fr.43m. would be put up by the professional bodies representing brokers, their intermediaries and the sugar and beet-growing industries. A further Fr.55m. would come from the breakup of the old Caisse and the sale of its assets, leaving around Fr.100m. to be raised from its outstanding credits.

Special exception would be made for the clients of M. Maurice Nataf, the broker whose contribution of Frs.300 per failure was the most spectacular, and made inevitable the closure of the market.

A vital condition for the scheme, however, is that it is accepted by all involved, and that they agree to drop all outstanding lawsuits which otherwise would probably have led to the personal ruin of several involved.

But this already looks problematical. The directors and shareholders of the old Caisse, due to be replaced at the end of the year by a revamped regulatory agency and new market rules, are openly unhappy at the prospect of seeing its assets *simply sold off*.

Everyone is agreed on the other hand, that the initiative is probably the last chance to save, not only the sugar market, but serious trading in other commodities in Paris. The alternative, said M. Pesson grimly, was for "a debacle like that of Russian bonds."

Short-lived rally in cocoa

By Our Commodities Staff

AFTER RALLYING in the morning, cocoa values resumed their recent downward trend in late dealings yesterday, most positions on the London terminal market finishing near the day's lows. The March position fell by £7.5 during the day, to £621.75 a tonne, and has now declined £43 in only three days.

The stronger tone during the morning was based largely on the upturn in New York in pre-week-end dealings. Trading was fairly thin, however; though the rise was held until mid-afternoon, a disappointing opening on the New York market brought a quick turnround in sentiment and the closing tone was described as barely steady.

Ghana cocoa purchases for the sixth week of the main crop season were broadly in line with expectations, at 29,762 tons. This brought the cumulative total to 135,400 tons, compared with 119,068 after six weeks last season.

Conditions were quiet on the London Robusta coffee market, but light buying towards the close lifted most quotations and January coffee closed £8.5 higher, at £?08 a tonne.

International commodity bank proposed

ROME, Nov. 10.

THE CHAIRMAN of the UN Food and Agriculture Organisation's biennial governing conference, Mr. Mansour Rouhani, has proposed the creation of an international agricultural commodity bank to manage world food surpluses.

Mr. Rouhani, the Iranian Agriculture and Natural Resources Minister, told delegates that the proposed institution could be governed as a UN specialised agency, with a number of regional operating centres.

He said the idea of a world commodity bank would complement the work of last year's World Food Conference, which *passed a series of resolutions* aimed at improving food production, aid and stocks.

A *recent proposal* made by the Shah of Iran to the Organisation of Petroleum Exporting Countries (Opec) that 10 cents per barrel of crude oil be set aside for aid to other developing countries could help the creation of *such an institution*, he added.
Reuter.

FARM MINISTERS' MEETING

Making the CAP fit the Community

BY DAVID CURRY IN BRUSSELS

THE PRACTICAL and political limits to reforming EEC farm policies began to stand out clearly yesterday as agricultural ministers of the Nine began to review the Common Agricultural Policy.

Their main purpose was to decide *what sort of guidelines to* insert in a policy document by which heads of government can assess the CAP and suggest remedies at their meeting in Rome next month. Italy, for example, was seeking specific reference to the CAP's failure to benefit southern European farmers as much as northern ones, and to the need to compensate countries which bore the brunt of preferential trade deals (Italy and Mediterranean agreements, for example). Ireland was seeking reference to farm incomes and the U.K. to the need for cost-effectiveness.

The Ministers were working within two basic assumptions: the first that the CAP itself remains *sound in conception and* beneficial in its effects although it has been distorted by external factors in certain problem areas like milk, beef and wine. The second assumption was that the three cardinal principles for the CAP—*self-sufficiency, free trade* and common pricing—would remain untouched.

Indeed, the Ministers showed signs of rallying strongly to the defence of the CAP, particularly in their observations that the *burden of Community policies* decided by other ministers—foreign and finance ministers, for example—often tended to *bear* hardest on the farming community. They apparently had in *mind* the deals with associate countries and the projected series of Mediterranean agreements.

It is also likely that the production of at least some surpluses will be accepted as a *consequence of CAP policies*. The French were insistent that, although they understood the anxiety of some governments at the EEC being required to finance surpluses, the EEC could not opt out of world trade in farm products and leave the field free to the U.S.

Direct aid

But the French also commented that the EEC should not adopt what they described as "a totally conservative attitude." M. Christian Bonnet said specifically *of* dairy producers that the French Government accepted that prices were not necessarily the only way of supporting income. Social *considerations* indicated that an element of direct aid could also be appropriate.

Although the nine-page document in front of ministers highlighted particular problem areas — the milk sector, *the cyclical* problems in the beef sector, wine troubles and the need for a better relationship between prices for feed grains—it is understood to discuss possible *reforms generally, rather than in* relation to specific areas. In each case it is thought that emphasis is upon improving and diversifying mechanisms rather than wholesale remodelling.

Ministers began yesterday's talks by tackling two problem areas demanding immediate action and soon discovered that they would get nowhere. The Italians again refused to discuss a new wine regime as long as the French border tax on Italian wine remained in force.

The problem of financing cow and calf premiums (which largely benefit Italian and French producers) also remained unsolved. The Commission had been seeking permission here to split the cost of this between the guarantee section of the Farm Fund, which should normally foot the bill for this, and the guidance section for structural reform which has surplus cash available.

The Italians refused to countenance the transfer of *81.5m. Units of Account from* one charge to the other, despite a Commission assurance that it was an isolated expedient and that there was no intention of bringing forward other jointly financed ventures.

The Germans were also opposed to budgetary transfers on grounds of financial and constitutional impropriety.

Moratorium on N. Sea herrings unlikely

BY RICHARD MOONEY

THE THREAT to herring stocks in the North Sea will pose difficult questions for delegates at the mid-term meeting of the North East Atlantic Fisheries Commission, which begins in London this morning.

They will have to consider scientific advice that all deliberate *fishing for North Sea* herring should cease during 1976 to allow stocks to recover from their dangerously low level. On the other hand, strong pressure is expected from some nations—notably Denmark and Iceland—for much bigger quotas than those agreed at the annual meeting in May.

The May meeting decided on severe cuts in North Sea herring quotas for the 18 months *from July 1 this year, but the* total allowable catch level (TAC) still amounted to 254,000 tons, well above the 140,000 recommended by the Commission's scientific committee.

Since then the committee has up-dated its statistics and decided that no directed fishing for herring should be allowed in 1976, while by-caches (fish inadvertently caught in nets intended for other species) should be limited to 40,000 tons.

But the possibility of such a moratorium seems little more than a *pipe dream. In fact the* TAC for North Sea herring is more likely to be raised than lowered at this week's meeting.

The main casualty in May's 66 per cent. quota cut was Denmark, whose allotment was reduced from 210,000 tons in the year to June 30 to 69,000 in the following 18 months.

The cut was not as severe as it might seem, however, as the Danes only landed 88,000 tons in 1974-75. Nevertheless it was too severe for them to swallow without a fight, and Denmark *promptly lodged an official objection* to the quota (as did Iceland), thus clearing itself of responsibility to abide by it.

Though two objections was not enough to defeat the agreement, they effectively rendered it unworkable. The other signatories could not be expected to stand for such severe restrictions while *Denmark's catch was under no* official limitation.

A halt to Danish herring fishing in the North Sea was ordered last week because its self-imposed quota for the remainder of 1975 had been exceeded. The Danes are believed to have caught 52,000 tons already and appear to have increased their *catching effort, compared with* the 88,000 caught in the previous 12 months.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Down again on the London Metal Exchange, closing at the day's lowest. Prices opened on a firm note due to currency considerations and relative steadiness in the U.S. last [...] with forward metal trading at [...] [illegible] of its closure to-day for Veterans Day, also dampening sentiment. Forward metal ended here at £601 on the afternoon Kerb. Turnover 10,900 tonnes.

Amalgamated Metal Corporation reported that in the morning cash wirebars traded at £584.5, 5, three months £600, 6, 7.5, 7, 6, 5.5, 5. Cathodes: cash £570, 69.5, three months £581. Kerb: [illegible]

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	585.5-4	−5.5	582.5-.5	−3.75
3 months	606-.5	−4.5	603-.5	−3.5
Settlem't	584	−5.5	—	.....
Cathodes				
Cash	569.5-70	−5	568.5-9	−3.5
3 months	590.5-1	−5	589.5-90	−5
Settlem't	570	−5	—	.....
U.S. Smt.	—	.....	*65-65.7	.....

[...] ket, which opened lower and was [expe]cted to be fairly uneventful in front [...]

TIN—Easier but above the day's lowest. The Penang market being unaltered on balance over the weekend failed to counter renewed profit-taking prompted by the failure of forward metal to break decisively through the £3,100 level recently. Prices were steadier at the lower levels by renewed borrowing of cash metal which was thought to have been on behalf of the buffer stock manager, and forward metal ended the day at £3,078 after being £3,070 at one time. Turnover 770 tonnes.

Morning. Standard: cash £3,025, 20, 15, three months £3,060, 70, 72, 70. High Grade untraded. Kerb: Standard: cash £3,020, three months £3,072. High Grade untraded. Afternoon: Standard: cash untraded, late Dec. £3,053, three months £3,072, 73, 75, 77. High Grade untraded. Kerb: Standard: three months £3,078. High Grade untraded.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	3017-8	[illegible]	3027-30	−7.5
3 months	3068-70	[illegible]	3076-80	−8
Settlem't	3018	[illegible]	—	.....
Standard				
Cash	3017-8	[illegible]	3027-30	−7.5
3 months	3068-70	[illegible]	3076-80	−8
Settlem't	3018	[illegible]	—	.....
Straits E	1894	[illegible]	—	.....
New York	—	.....	295-332	.....

LEAD—Drifted owing to the trend of copper, influential selling and lack of any fresh feature. Turnover 2,850 tonnes. Morning: cash [illegible] £174.5, 74, 73.5. [illegible] noon: cash untraded [illegible] Kerb: three months £[illegible]

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	165.5-6	[illegible]	165.75-6	[illegible]
3 months	173.5-4	[illegible]	175.25-5.5	[illegible]
Settlem't	166	[illegible]	—	.....
N.Y. Spot	—	.....	*19	.....

ZINC—Fell afresh in quiet trading in a market lacking fresh incentive. The majority of the 16,150 tonnes turnover resulted from carries.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	347.5-8	[illegible]	346-.5	−1.5
3 months	359.5-60	[illegible]	358.5-9.5	−2.5
Settlem't	348	[illegible]	—	.....
Prm. West	—	.....	*39	.....

Morning: cash £348, 47.5, early Dec. £353, three months £361, 60.5, 60. Kerb: cash £348, three months £359.5. Afternoon: cash untraded, three months £[illegible] Kerb: three months [illegible]

* Cents per pound. † On previous unofficial close. † SM per picul.

SILVER

Silver was fixed 2.1p an ounce higher for spot delivery in the London bullion market yesterday, at 214p. U.S. cent equivalents of the fixing levels were: spot 443.4c, up 3.7c; three-month 453.6c, up 3.5c; six-month [illegible]; and 12-month 480.2c, up [illegible]. The metal closed at 214-215p (442[illegible]).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. close	+ or −
Spot	214p	+2.1	214.2p	+2.4
3 months	220.7p	+2.2	220.25p	+1.9
6 months	227p	+2.2	—	.....
7 months	—	.....	—	.....
12 months	241.5p	+2.5	—	.....

LME—Turnover 225 (212) lots of 10,000 ozs. Morning: Three months 221, 21.7, 21.6, 21.5, 20.8, 21. Kerbs: Three months 221.2. Afternoon: Three months 220.8, 20.3, 20.8, 21, 20.8, 20.5, 21, 21.1. Kerbs: Three months 221.1, 21.4, 21.3, 21.1, 21.

COCOA

Values held quietly steady throughout the morning. Later in the day, Commission House selling initiated in New York depressed prices which closed on the lows of the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No.6 Contract			
December	643.0-44.0	−8.0	659.0-43.0
March	621.5-22.0	−4.0	635.0-21.0
May	603.0-04.0	−8.50	614.0-03.0
July	595.0-96.0	−4.0	606.0-594.0
September	588.5-89.0	−4.0	598.0-88.0
December	574.0-75.0	−1.75	587.5-76.0
March	572.5-73.0	−2.5	578.0-73.0

Sales: 2,103 (3,379) lots of 10 tonnes. International Cocoa Agreement prices: Daily 56.91 U.S. cents per pound; indicator 15-day average 56.87; 22-day average 58.13.

FREIGHTS

DRY CARGO—Market opened slightly more active, but with another partial holiday in the U.S. to-day brokers do not expect this improvement to be maintained. Grain shippers covered a cargo from Mississippi River to Netherlands at $5.10 f.i.o. Dec., the vessel concerned being the largest taken for this business for some time. *Other grain bookings included* U.S. Gulf to Netherlands at $8.50 f.i.o. for Nov., Northern Range to Belgium at $8.50 f.i.o. for Nov. and Great Lakes to Rotterdam at $15.87 f.i.o., completing St. Lawrence [illegible]

Miscellaneous chartering included ore from [illegible] [illegible]

COFFEE

[illegible]

RUBBER

SLIGHTLY STEADIER opening on the London physical market. [illegible]

SOYABEAN MEAL

	Yesterday's Close	+ or −	Business Done
December	[illegible]	[illegible]	[illegible]
February	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]

Sales: 93 (87) lots of 100 tonnes.

GRAINS

THE BALTIC—All sections of the imported grain market experienced dull trading [illegible]

HGCA—Regional and U.K. average ex-farm spot prices for week ended November 6: Soft milling wheat—S. East £64.50, S. West £62.00, Eastern £63.60, E. Midlands £63.80, W. Midlands £63.00, N. East £64.60, N. West £63.85, Scotland £63.40, U.K. £63.73. Feeding barley—S. East £61.10, S. West £61.80, Eastern £60.55, E. Midlands £60.90, W. Midlands £60.65, Scotland £59.95, U.K. £60.90.

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) [illegible]

Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

WOOL FUTURES

LONDON—Market steady.

(Pence per kilo)

Australian Greasy wool	Yesterday's Close	+ or −	Business Done
December	165.0-67.0	[illegible]	—
March	168.0-70.0	[illegible]	—
May	169.0-72.0	[illegible]	—
July	172.5-74.0	[illegible]	—
October	181.5-84.0	[illegible]	—
December	182.5-85.0	[illegible]	—
March	185.0-88.0	[illegible]	—

[illegible]

SYDNEY GREASY [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets in week ended Nov. 8: [illegible]

Scotland—Cattle up 11.6, £22.19 (+0.80); Sheep down 15.0, 35.6p (—); Pig up 3.3, £4.89 (−0.13).

SMITHFIELD (pence per pound)—Beef: Scotch killed sides 33.0-37.0, English hindquarters (heavy) 36.0-40.0, Ulster hindquarters 38.0-40.0, Forequarters 27.5-29.0, Eire hindquarters 36.0-40.0, Forequarters 27.0-28.0. Veal: English fats 46.0-52.0, higher quality fats 54.0, Scotch Bobbies [illegible]

COVENT GARDEN (Prices, in sterling) [illegible]

EEC DAILY IMPORT LEVIES [illegible]

EEC DAILY EXPORT LEVIES [illegible]

JUTE

DUNDEE—Quiet. [illegible]

LONDON—Quiet. Bangladesh White C grade Nov.-Dec. £195, D grade Nov.-Dec. £193. A long ton.

CALCUTTA—Steady. Indian Oct.-Dec. Rs.450.00, Dundee Daisee Oct.-Dec. Rs.422.50 values. A bale of 400 lbs.

★

COPRA—Philippines: Nov. $197½, Dec. $200, Jan. $202½ resellers per tonne c.i.f. North European ports.

★

GRIMSBY FISH—Supply good. Demand good. Prices at ship's side (unprocessed): Shelf cod £2.30-£3.00; codlings £1.90-£2.40; large shelf haddock £2.90, medium £3.40-£3.60, small £2.00; large plaice £3.20, medium £2.90-£3.00, best small £2.40; large skinned dogfish £2.50, medium £2.20; lemon soles £4.50; rock fish £1.30-£1.50; reds £1.10-£1.30; saithe £1.30-£1.60.

PERU ANCHOVY FISHING BEGINS

LIMA, Nov. 10.

Anchovy fishing has begun on a small scale off the southern coast of Peru, said Fisheries Minister, Admiral Francisco Mariategui Angulo. Boats were landing about 3,000 tonnes of anchovy daily in the south.

If conditions were right, full operations should begin by about the middle of this month and the season could extend up to February, 1976, he said.
Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Nov. 10 1975	+ or −	Month ago
Metals			
Aluminium (a)	£396	.....	£395
Free Market c.i.f.	$806-830	.....	$825-855
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

INDICES

FINANCIAL TIMES

Nov. 10	Nov. 7	Month ago	Year ago
170.34	171.91	174.74	199.90

(Base: July 1, 1952=100)

REUTER'S

Nov. 10	Nov. 7	Month ago	Year ago
1144.2	1149.6	1145.5	1357.7

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Nov. 7	Nov. 6	Month ago	Year ago
Spot	289.99	293.70	307.85	439.81
Futures	279.81	285.18	287.44	435.58

(Average 1924-25-26=100)

MOODY'S

Moody's	Nov. 10	Nov. 7	Month ago	Year ago
Spl.Comm	796.8	740.1	798.4	902.9

(Dec. 31, 1931=100)

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 250 tonnes. Scattered operations following a moderate demand brought additional contracts in Middle Eastern qualities. Turkish and Russian were in fair request, coupled with [illegible] in African and S. American growths, F. W. Tattersall reports.

Grains off on bearish crop report

NEW YORK, Nov. 10.

COPPER and cocoa finished near the lows due to Commission House stop-loss selling. [illegible]

[illegible]

APPOINTMENTS

EAL

MIDDLE EAST FINANCIAL CONTROL

c. £10,000

A large privately owned trading Company in the Middle East seeks a Group Controller to be responsible for planning and control processes within his own operating Group. This will include long term planning, economic assessment of investments, expansion activities and financial evaluation.

Candidates, aged 25-35, will have an accounting qualification, preferably ACMA, or be financially orientated graduates and/or MBA's from a major business school. Tax free salary together with special allowances and very attractive fringe benefits. Location, Kuwait. (BA.590)

Please write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

ADMINISTRATIVE ASSISTANT

(Aged 45+)

for leading

MERCHANT BANK

The successful candidate will be expected to contribute to the many and varied clerical tasks undertaken in the busy and demanding environment of our client's Administration Department.

The main responsibility will be the control and issue of currency required by executives for visits overseas.

Starting salary will depend upon the relevance of experience to date and there are many other attractive benefits.

Applicants—ideally with experience in the City in a position requiring a high standard of overall efficiency and an aptitude for figure work—should contact:

J. R. V. Coutts, Esq.,
7 Wine Office Court,
London, EC4A 3BY.
01-353-1858

Career plan LIMITED

One of the Largest American Banks is Looking for Experienced

FOREIGN EXCHANGE TRADERS

For some of its subsidiaries in Europe and the Middle East, age between 25 and 35 years.

Very attractive salary will be offered, excellent fringe benefits such as: overseas allowances, free housing and premium free pensions funds are available.

Please address your applications (which will be dealt with in strictest confidence) to:—

Box No. A.5316,
Financial Times, 10, Cannon Street, EC4P 4BY

THE PAINLESS WAY TO FIND A

SENIOR SECRETARY

If you need a PA Secretary, a girl with the Right Background and qualifications to assist you in your work with smooth efficiency, then you also need a high calibre service to interview and short list applicants for you.

Please Ring Sallyann Phillips on 629 5747, the

SPECIAL APPOINTMENTS DIVISION OF ADventure

LIFE INSURANCE EXECUTIVE

Wanted experienced life insurance executive for a newly promoted insurance co. 15-20 years experience organising sales force preferably married below 30 yrs. of age, knowledge of Oriental languages essential, salary circa £6000 + fringe benefits. Write in confidence giving full career details to Secretary, Credit & Commerce Insurance Co., 60 Mark Lane, London EC3R 7TR.

LEGAL NOTICES

IN THE MATTER of THE COMPANIES ACT 1948 and IN THE MATTER OF THE CARMEN VALLEY GOLD MINES LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act 1948 that a Meeting of the Creditors of the above-named Company will be held at the Registered Office 49 Moorgate, London, E.C.2, on Wednesday, the 3rd of December, 1975, at 3.00 p.m. for the purposes mentioned in Sections 293, 294 and 295 of the said Act.

Dated this 10th day of November, 1976.
By Order of the Board.
H. J. GREEN, Secretary.

No. 003611 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ROBINSON & NEWBERY LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 3rd day of November 1975, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of December 1975.

No. 003823 of 1975

In the HIGH COURT OF JUSTICE Chancery Division, Companies Court. In the Matter of LONDON EXPRESS SERVICE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 4th day of November 1975, presented to the said Court by G. & B. ARTS LIMITED whose registered office is at Shelford Place, London, N.16, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

WM. F. PRIOR & CO.,
Temple Bar House,
23-28 Fleet Street,
London, E.C.4.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of December 1975.

No. 003668 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BARON ADVERTISING & PROMOTIONS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 7th day of November 1975, presented to the said Court by EVENING STANDARD COMPANY LIMITED whose registered office is situate at 121, Fleet Street, London, E.C.4, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 8th day of December 1975, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

JUDGE & PRIESTLEY,
42-45, East Street,
Bromley, Kent.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any) and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 5th day of December 1975.

APPOINTMENTS WANTED

MARKETING AND MANAGEMENT

A senior executive, who has returned to the United Kingdom following 16 years current activity in U.S. markets, offers a unique combination of successful experience, with advanced qualifications, which includes all phases of marketing: management of money, international business acquisitions mergers, data processing, operations research, personnel and real property. Experience also includes working exposure to Canadian, Mexican, Central and South American and Caribbean markets. Other business travel includes Western Europe, Scandinavia, India and Pakistan.

A very energetic man, now available for CONSULTATION or LONGER TERM association with established organisations in the UK or abroad.

Please write Box A.5313, Financial Times, 10 Cannon Street, EC4P 4BY.

COMMODITY DOCUMENTATION CLERKS & Managers £2,500-£4,000 pa +. Charterhouse Appointments. 01-836 2377.

COMMODITY TRADER. Man with authority and wide connections required for consultancy work. Possibly a retired trader or senior executive, U.K. or overseas. Apply Mr. G. Stewart, Charterhouse Appointments, 9 Great Newport Street, London, W.C.2. 01-836 2377.

ART GALLERIES

ABBOTT AND HOLDER'S Special Exhibition of 200 Selected Watercolours. Daily until *Nov 15 at Alpine Club Gallery, 74,* South Audley St., W.1. 01-629 2280.

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176. BRITISH PAITINGS 1900-1975 including BERNARD DUNSTAN exhibition. Until 5 December. Mon.-Fri. 9.30-5.30. Thurs. until 7.0.

ANTHROPOS GALLERY. Specialists in Ethnic Arts. 65-67, Monmouth Street, Upper St. Martin's Lane, W.C.2. 01-836 6182. Europe's finest collection of New Guinea, Papuan and Eskimo Art. A new exhibition Mon.-Wed. 10-6. Thurs., Sat. 10-12 midnight. Sunday 1-7. New Exhibition of SHONO SCULPTURES.

ARTISTS FOR VIETNAM: Exhibition and Sales of paintings, graphics, sculpture, pottery and jewellery. Well-known artists *including Alfred Cohen, Alfred* Daniels, Patrick Procktor, Fred Uhlman. Opening night Friday, November 14th (7 p.m.) with James Cameron. Saturday 15, *10 a.m.-6 p.m.* Sunday 16th 10 a.m.-6 p.m. Auction 3 p.m. Hampstead Old Town Hall, Haverstock Hill, N.W.3.

D. M. GALLERY, 72, Fulham Road, SW3. ENZO APICELLA

MARJORIE PARR GALLERY, 285 Kings Road, Chelsea, S.W.3. DOUGLAS PORTWAY. Paintings. Until November 22nd. Open all day Saturday. Closed Mondays.

REDFERN GALLERY. ROBERT YOUNG. *New Paintings and Drawings.* November 4-26. 20 Cork Street, London, W.1.

ROYAL ACADEMY OF ARTS. Landscape *masterpieces* from Soviet museums. Until 30 November. Wkdys. 10-6. Suns. 2-6. Adm. 50p (Mondays 30p). Students and pensioners half price.

THE PARKER GALLERY, 2, Albemarle Street, Piccadilly, W.1. Exhibition of old marine, military, sporting and topographical prints and paintings and ships models.

WILDENSTEIN: FOUR PAINTERS OF 20th CENTURY GREECE. THEOPHILOS, KONTOGLOU, GHIKA, TSAROUCHIS. Weekdays: 10-5.30. Saturdays, 10-12.30. Until 5th December. Admission free. Catalogues sold in aid of the National Trust for Greece. 147 New Bond Street, W.1.

CLUBS

EVE, 189 Regent St. 734 0557. A la carte or All-in Menu. Spectacular Floor Shows plus the rhythm of Los Vera Cruz and music of Johnny Hawksworth & Friends.

GARGOYLE, 69 Dean St., London, W.1. STRIPTEASE FLOORSHOW SEX UNLIMITED. Show at midnight and 1 a.m. Hostesses. Mon.-Friday. Closed Sats. 437 6455.

THE GASLIGHT—To get the big contacts. 4, Duke of York St., St. James's, S.W.1, offers superb luxury entertainment from 9 p.m. in a friendly way and our prices make sense. No membership required for out-of-town or overseas visitors. Reservations 734 1071 daytime, 930 1648 after 8 p.m.

COMPANY NOTICES

Rolinco

Annual General Meeting of Shareholders

to be held at the Hilton Hotel, Weena, Rotterdam at 2.30 p.m. on Friday, 28th November, 1975.

AGENDA

1. To receive and adopt the Report of the Managing Directors for the financial year 1974 1975.
2. To receive and adopt the balance sheet and the profit and loss account for the year ended 31st August, 1975.
3. To approve the profit appropriation.
4. To elect the Directors to the Supervisory Board. Professor Dr. J. M. J. Baron van Houtte, Professor Dr. P. Kuin, Professor R. E. Marjolin, The Hon. A. J. B. Ogilvy and Dr. J. M. van Susante who will retire by rotation have offered themselves for re-election.
5. Any other business.

Copies of the agenda and of the Annual Report for 1974 1975 can be had from National Westminster Bank Limited, Stock Office Services, Marking Names Section, 2nd Floor, 41 Lothbury, London, E.C.2.

Beneficial owners of Share Warrants to Bearer desirous of attending or being represented at the Meeting must obtain a certificate of deposit signed by a Bank or other Authorised Depositary that such Authorised Depositary is holding the Share Warrants. This certificate must be lodged against receipt with the National Westminster Bank Limited, Stock Office Services, Marking Names Section, 2nd Floor, 41 Lothbury, London, E.C.2, not later than Friday, the 21st day of November 1975. The receipt for the certificate of deposit will constitute evidence of a shareholder's entitlement to attend and vote at the Meeting and should be presented at the door of the Meeting Hall. If a holder desires to appoint a proxy, who need not be a member of the Company, to attend and vote in his stead a form of proxy may be obtained from the National Westminster Bank Limited as above and this form of proxy must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-share Certificates registered in the name of National Provincial Bank (Nominees) Limited desirous of attending or being represented at the Meeting must obtain a certificate of deposit in the same way as holders of Share Warrants to Bearer. If they desire to attend the Meeting in person or to be represented they must obtain a form of proxy signed by National Provincial Bank (Nominees) Limited, which form must be presented at the door of the Meeting Hall together with the receipt for the certificate of deposit.

Beneficial owners of Sub-Shares registered in any name other than that of National Provincial Bank (Nominees) Limited and holders of Registered Full Shares, who wish to attend and vote at the Meeting or to appoint a proxy to attend and vote in their stead must inform the Company in writing by Friday, the 21st day of November, 1975, of their intentions.

By Order of the Board of Managing Directors.
E. A. BROUWER.
A. B. BUNKER.

Dated this 11th day of November, 1975.

P.O. Box 973,
Rotterdam.

GOURMET

GALLIPOLI RESTAURANT, off Old Broad St., E.C.2. Open every day for lunch, dinner and dancing until 3 a.m. Cabaret twice nightly at 10.30 p.m. and 1.15 a.m. Mon. to Sat. £5.75. Tel 588 1922.

CLASSIFIED ADVERTISING RATES

	Per single column centimetre
Appointments	£9.00
Industrial and Business Property	£9.00
Residential Property	£9.00
Business Opportunities	£11.00
Educational	£9.00
Motors	£9.00
Hotels and Travel	£9.00

The minimum depth of display advertisements and of boxed classified advertisements is: Three single column centimetres.

Larger advertisements are only accepted in multiples of whole centimetres.

Premium positions available — rates on request. Write to: Classified Advertisement Department, Financial Times, 10, Cannon Street, EC4P 4BY.

Heed customer power urges car chief

THE MOTOR industry was told last night that it must take more notice of "customer power."

It was something no one—from Boardroom to shop-floor—could afford to ignore. Sir William Batty, president of the Society of Motor Manufacturers and Traders, said at the Scottish Motor Show banquet in Glasgow.

"I am convinced that some of the recent success of imported cars in Britain has nothing to do with price, specification or availability," he declared.

"One important factor which seems to have been ignored is the backlash effect from a lot of customers who are plainly fed up with strife and squabbling as they see it in the British motor industry." That was just one example of "customer power."

Sir William said he would also like to see "a bit more consumerism" in Britain.

He called on the Government to encourage a national attitude of giving the customer what he wanted when he wanted it. That would be the "most effective—and least expensive—form of real job protection."

Not every management was as customer-oriented as it should be. "Some have lived with problems in their day-to-day lives for so long that how they produce has become almost more important than what they produce."

Sir William urged the industry's trade unions to "breathe new life into what is a vital message for every motor industry employee—that it is in everybody's interest to solve differences at the expense of the waiting customer, who is all too ready these days to flex his purchasing muscles."

Asian aviation conference

TOP OFFICIALS from ten international airlines, three major aircraft constructors, and the directors of civil airline authorities and air transport associations will be the principal speakers at the Aviation in Asia Conference arranged by the Financial Times to be held in Hong Kong, on December 4 and 5.

Although the world's aviation industry is suffering from many problems, there are good prospects for the development of the industry in the Asian region. The Hong Kong conference will examine the problems, and will consider the potential for the development of the aviation industry in the region over the next five to ten years.

Special consideration will be given to the role of the air transport industry in contributing to the economic development of the Asian region, where distances are enormous, surface communications often deficient, and many countries geographically isolated.

The conference, which is expected to attract an international gathering of airline operators, aircraft manufacturers, equipment and service suppliers, together with ministers and civil servants, will hear an open address from the chairman, Mr. J. H. Bremridge, chairman of Cathay Pacific Airways and of the Orient Airlines Association.

Among those taking part will be Mr. K. K. Unni, managing director, Air India; Mr. Willis Player, senior vice-president, external affairs, Pan American Airways; Mr. Shigeo Kameda, senior vice-president, sales, Japan Air Lines; Mr. Chatrachai Bunya-Ananta, director of marketing, Thai Airways International; Mr. Lim Chin Beng, managing director, Singapore Airlines; Sir Peter G. Masefield, director, British Caledonian Airways; Mr. Gordon Davidson, director, Concorde, British Airways; Mr. Choong Hoon Cho, president, Korean Airlines, and Mr. J. F. Jeffries, chairman, Air New Zealand.

From the aircraft manufacturers will be Mr. Jack Steiner, director of product development, Boeing Commercial Airplane company; Mr. J. Ferguson Smith, deputy chairman and managing director, commercial aircraft division, British Aircraft Corporation, and Mr. A. Carl Kotchian, president, Lockheed Aircraft Corporation.

Mr. Knut Hammarskjöld, director general, International Air Transport Association will address the conference on the changing nature of world air transport with special reference to its impact in the Pacific basin. The conference is being organised with the co-operation of Cathay Pacific Aairways, the Hong Kong-based airline.

APPOINTMENTS

Sir Alan Walker on Bank Board

Sir Alan Walker has been appointed a director of MIDLAND BANK. Sir Alan is chairman of Bass Charrington.

★

Mr. P. F. Williams has been appointed to the Board of ABBOTT AND GERSON (AIR FREIGHT.

★

Mr. J. C. Fritz, general manager of the gold and uranium division of GENERAL MINING AND FINANCE CORPORATION has been nominated chairman of the Buffelsfontein and Stilfontein Gold Mines. Mr. C. H. Walters, general manager of the base mineral division has been nominated chairman of Electrolytic Metal Corporation, Griqualand Exploration and Finance, and Msauli Asbestos. Mr. A. S. Rhodes, divisional general manager of the industries division, has been nominated chairman of Hall Longmore and Co. and Superocla.

★

Mr. Brian Belcher has joined the Board of DOROTHY PERKINS. He is managing director of the group's retail subsidiary.

★

Mr. Colin Cowdrey has joined the international division of BARCLAYS BANK INTERNATIONAL.

★

Mr. Arnold Goldsbrough, executive director of MIDLAND INDUSTRIES has been appointed group deputy managing director. He is also chairman of the group's castings and forgings division. Mr. A. Wilson has been appointed marketing director of a newly-formed export division.

★

The Spillers Group has formed SPILLERS IRAN, a 50/50 joint venture with an Iranian industrial company. Mr. Frank Rymer, a member of Spillers management, has been appointed managing director of the new company which will serve as a base for projects in Iran's private and public sectors.

★

Dr. Curt Nicolin has been appointed chairman designate of ASEA and will succeed the chairman, Dr. Marcus Wallenberg, who has declined re-election to the Board at the annual meeting to be held in March, 1976. Mr. Folke Westerberg will become chief executive officer of the group in place of Dr. Nicolin. Mr. Torsten Lindstrom will replace Dr. Nicolin as managing director of the ASEA parent company.

★

Mr. K. F. Whittle has been appointed deputy chairman of the YORKSHIRE ELECTRICITY BOARD. He will relinquish his position as chief commercial officer of the North Western Electricity Board to take up his new post on December 1. Mr. John Mills has become a part-time member of the Yorkshire Electricity Board until March 31, 1977.

★

Mr. John Higham has been appointed production director of MECCANO, a member of the Airfix Group.

★

Mr. H. G. Downs has been made managing director of AVERY-DENISON, a subsidiary of Averys. Mr. Downs was formerly managing director of Avery Australia and has been with the group for 39 years. He succeeds Dr. E. W. Seward who is to retire.

★

Mr. Frank Nixon has succeeded Mr. Paul N. Wilson as president of the NEWCOMEN SOCIETY for the study of the history of engineering and technology.

★

Mr. Roger Harrison is to become general manager of THE OBSERVER from January 1 in place of Mr. Tristan Jones, who retires at the end of this year. Mr. Donald Trelford, editor-designate of The Observer, has been made a director.

★

Mr. Jack Rose has become secretary of the SALMON AND TROUT ASSOCIATION in place of the late Mr. Bernard Catchpole.

Offshore Development

★ **ENGINEERING AND SUPPLY**

★ **EXPLORATION AND PRODUCTION**

★ **FINANCE, TAXATION AND GOVERNMENT**

An important trilogy which reviews the spread of offshore activity during the last ten years, and the accompanying developments in technology and financial and political thinking.

OFFSHORE DEVELOPMENT presents a unique opportunity of studying the opinions and conclusions of over seventy of the world's leading offshore experts. This wide spectrum of specialist ideas has been collated by Bart Collins, Energy Adviser, Business Enterprises Division, The Financial Times Ltd., and International Editor, Oil Daily, New York.

Seventy-seven papers tell the story of this exciting and rapidly developing industry. The papers were originally presented as speeches at the following international conferences organised by The Financial Times Ltd.

North and Celtic Seas — **International Offshore Technology**

Pacific Basin Energy — **World Offshore Forum**

Energy North

Each volume of OFFSHORE DEVELOPMENT is concerned with one aspect of the industry, its problems and its prospects.

Volume One—Engineering and Supply

Examines the technical, political and financial aspects of exploration and production around the world, particularly in the North Sea. It discusses the speed of technical development in offshore production and emphasises the enormity of the task.

Volume Two—Exploration and Production

Tells how the search for oil and gas was started and successfully concluded, and demonstrates how new technology has been brought into play. It gives the full story of the development of the North Sea and assesses the potential of the Celtic Sea, Pacific Basin and Atlantic areas.

Volume Three—Finance, Taxation and Government

Sets out the financial problems and increasingly assertive political aspects the offshore oil and gas explorers have experienced over the last two years. These papers indicate the impact of the resultant financial uncertainty and take in the factors involved in dealing with governments.

Another business publication from THE FINANCIAL TIMES LIMITED

NOT AN ORDER: request for information only

To: Jonquil Phelan, Marketing Manager (Books), The Financial Times Ltd., 10 Bolt Court, Fleet Street, London EC4A 3HL.

Please send me details of OFFSHORE DEVELOPMENT at £35 per volume, £80 per set of three.

Name (Block caps) .... Position ....

Company ....

Address ....

.... Country ....

Nature of Organisation .... A

Seiko's time in the South was very well spent

When Seiko Time (UK) promoted their up-market watches in 1974, they used two approaches.

They took television time in the Southern and London areas, where there are ¾ million high-spending AB households.

And they took colour ads in the national press.

The campaign began in November and worked up to a Christmas peak. Around £13,000 of time was taken with Southern – and it proved to be time very well spent.

MAS studies showed that, whilst awareness in press-only areas rose by 17%, in the South it went up 106%. And the watches featured in the commercials were sold out by the end of the year.

That's how conclusive Southern testing can be. And as a result, Seiko Time (UK) are looking at television again – on a network basis.

SOUTHERN TELEVISION

For further information contact
Brian Henry, Marketing and Sales Director,
Southern Television Limited, Glen House, Stag Place, London, SW1E 5AX.
Telephone: 01-834 4404.

on Ronay inspectors claim that conditions in some cafeterias at London tourist spots range from scandalous' to 'appalling'. **Michael Thompson-Noel** embarks on a 14-hour tour of culinary detection.

Down and out in tourist London

OCUMENT to shame the a" was how one leader jocularly described the Ronay 1976 Dunlop Guide tels, Restaurants and Inns, shed last week—adding, in lighthearted vein, that the rs of the guide deserved hanks for drawing atteno tourist London as "the ry slum of Western e."

reason for this outburst at the guide contains a tating survey of standards e cafeterias at the main on tourist spots, 14 of are described as ranging "scandalous" to "appall- Mr. Ronay's inspectors d 22 of the capital's parks, ies, museums and station s this summer and were onted, they report, with tions of food and hygiene nough to turn the strongest ch.

Turning their backs on the food at Victoria? The Victoria Coach Station cafeteria was one of the four most strenuously criticised by the Ronay inspectors, together with those at the Science Museum, the National Gallery and the Tower of London.

o supervision

ith two exceptions there o management or supervi- of any kind in evidence the counter-hands—some nglish speaking, others and the majority who not care less—were left as they please," says Mr.

ie use of clinging trans- t plastic wrappers on sand- s was almost universal, ing the contents . . . to a ing, wilting mess. Soft s were almost never d, even at the height of er; the display was often fessional and unappetising cafeterias were usually or not at all ventilated he floors too often dirty overed by litter. The Brit- iblic seems to abandon all of propriety and cleanli- when entering a public ria and instantly assumes habits."

ng stuff, very strong But lest anyone imagine Mr. Ronay's onslaught on n cafeterias is little more thinly-disguised publicity *for his 1976 restaurant* it should be observed that tack on cafeterias is simply test round in a fuller cam- for improvements in catering which has ly covered motorways, air- and hospitals.

ther, Mr. Ronay is right: standards in many London cafeterias are indeed *what he says* they are, as the following meal-by-meal excursion through the labyrinths of tourist London revealed:

9.15 a.m.: Breakfast at Victoria Coach Station, which was savaged by the Ronay inspectors for serving "nauseating congealed meat . . . impenetrable doughnuts" and a sausage roll that was so unpalatable that it had to be spat out. (The coach station said it was "amazed" at the criticism. "Our cafeteria was completely modernised three years ago," said a spokesman, adding that cakes and meat products were bought daily from reputable makers.)

I select bacon and egg with tinned tomatoes, toast and marmalade, coffee and tea. The cost: 71p. The single slice of bacon and the fried egg might *once have been palatable but* by the time I escape the queue and find a seat in the ugly, rectangular room, they have congealed and died. The toast is wet and spongy, the tea unrecognisable and the coffee worse. Food is served on crumply paper plates and the knives and forks are plastic.

The importance of improving food standards in the capital's tourist spots was borne out by figures from the Treasury recently which showed that Britain's tourist earnings last year outstripped British tourist spending abroad by £150m. and contributed about 10 per cent. to the overall surplus on invisibles. Further, figures so far available for 1975 indicate a market expansion in tourism over 1974.

Last year 7,935,000 overseas visitors came to Britain, the majority of whom either visited London or at least passed through it en route to other tourist areas. Earnings from this traffic, including fares paid to British air and shipping lines, totalled more than £1bn., compared with £873m. in 1973.

The British Tourist Authority said last month that Britain's earnings from tourism last year *were greater in value than* textiles or iron and steel exports, and that foreign currency revenue from visitors "might meet one-third of the bill for all imported food or imported oil." On some estimates, tourist spending in London alone this summer exceeded £600m.

11 a.m.: On to the National Gallery — sausage roll, coffee, cold milk (37p). The cafeteria here is more salubrious than most: it has a purple carpet, purple drapes and turquoise wall coverings. None the less, the Ronay inspectors had had a nasty encounter with a Cornish pasty and "tea like beige-coloured warm water." (The Gallery said it had long pressed for improved kitchen facilities and that the staff were trying to do their best under difficult conditions).

My sausage roll is not inedible, but the coffee is dank and sour.

1.35 p.m.—Lunch at the Science Museum. To get to the cafeteria you wander past the Boulton and Watt Pumping Engine and the Parsons Radial Flow Steam Turbine and take the escalator to the top. The Ronay inspectors describe the cafeteria here as being "as bad as anything you can experience in British catering," although a spokesman for the Camberley caterers who run the establishment says it hardly ever has complaints.

There is no hot food, apart from meat pies which have not yet heated up, so I take a ham, tomato and cucumber roll, a piece of pork pie, a slice of strawberry gateaux and tea and coffee (£1.09). The roll is bulletproof, the pork pie embalmed deep within its wrapping, the gateaux sticky and uneatable and the coffee like something drained out of the Bismark the night before she sank.

Immediately to your left as you escape the eating area is a German flying V bomb from 1944, which used to carry a warhead of 1,870 lbs. It should have hit the cafeteria.

5.10 — Tea at Paddington Station. The Ronay report goes out of its way to describe what it regards as a revolutionary change for the better at the station buffets at Euston, Kings Cross and Victoria, so I call at Paddington's Tournament Buffet to see what happens there.

The seating is cramped and the tables framed in like plastic rabbit hutches but the food—cottage pie, peas and chips, chocolate layer cake and tea (£1.09)—is not unreasonable.

My table companions are Mr. and Mrs. Richard Benjamin Speelerman the IIIrd, from Amarillo, Texas, who are eating yogurt and are on their way to Birmingham. (As a matter of fact, Mr. and Mrs. Speelerman the IIIrd should be at Euston if they wish to go to Birmingham, but they don't appear to mind.) Like many American tourists, they appear to believe that British food, like *British weather, has a charm of* its own and ought to be preserved. In any case, they say, next week they are flying on to Paris, France, expressly for the food. They have no complaints about their yogurt.

The reaction to the Ronay report at the London Tourist Board is not one of horror. A spokesman says: "Not all inexpensive cafeterias are a disgrace, but we welcome any criticism because criticism—as in the case of British Rail—invariably works, particularly when it comes from an expert like Ronay. Overall, however, complaints from London's 8m. visitors are negligible. They mostly concern hotels—misunderstandings, cancellations, administrative matters—almost never food hygiene.

8.20—Dinner at the Jolyon Restaurant, Piccadilly. Piccadilly Circus at present is a bit like a ghost town because the collapse in September of the London Eating Houses group has left it suddenly without the LEH Aberdeen Steak Houses, the Pancake Houses and the Wimpy bars that used to jostle for trade along Coventry Street.

In fact, J. Lyons had already announced plans to phase out its 250-strong Jolyon establishments before the LEH collapse, although at present the Jolyon in Piccadilly is the cafeteria nearest to the Circus.

I take tomato soup, *plaice and* chips with carrots, a fruit salad and a coffee (£1.04 plus 5p in the staff fund box). The soup is neutral the fish all right although deep in corrugated batter, and the carrots are limp. The fruit salad is mostly tiny cubes of peach and pineapple and the coffee is bland and luke-warm.

Investigated

A young man attempting to register a complaint about his steak pie and chips is told by the cashier that there is no one to deal with his complaint. ("That should never happen," said J. Lyons later. "We get the odd complaint, but there should always be someone on duty to deal with it. It will certainly be investigated.")

11.10 — It is cold, and tourists are streaming into Leicester Square as the theatres and the cinemas empty. The Transport and General Workers Union pickets outside the Talk of the Town nightclub have been distributing leaflets which explain their dispute with Trust Houses Forte, but now they are gone. On a street corner, a man is roasting chestnuts on an open fire.

I buy a packet: 15p for seven chestnuts. But they are hot and honest—the closest I have come in 14 undernourished hours to satisfaction. I buy another seven.

Egon Ronay's 1976 Dunlop Guide to Hotels, Restaurants and Inns. WHS Distributors, £3.20.

HOME CONTRACTS

Water Authority awards £3m. work

NORTHUMBRIAN WATER AUTHORITY has placed five contracts totalling more than £3m. Kenmac Construction Company, of Northwich, Cheshire, has won a £1,260,806 order for the Blyth main drainage scheme. Icos (Great Britain) of London, has received a £179,285 contract associated with the Howden Sewage Treatment Works. Also for the Howden works, the Reiss Engineering Company of Stanmore, Middlesex, has won a £126,958 contract for supplying and installing valves and actuators. Dredging and Construction Company, of Kings Lynn, Norfolk, has been awarded a £557,812 contract for conduit laying between Longnewton and Stainsby Wood, Teesside. The same firm has also received a £920,289 contract on Teesside, for laying conduits from Low Lane to Lackenby.

★

HONEYWELL INFORMATION SYSTEMS has received orders from Whitbread and Co. for six Series 60 Level 64 computer systems, worth £1.3m., and 13 System 700 Screenplex minicomputer systems (with an option for an additional four) valued at £800,000.

★

CHARCON PIPES AND TUNNELS Leicester, part of the Charterhouse Group, is supplying more than 8,000 metres of flexible jointed concrete pipes, in addition to concrete manholes and gullies, for stage one of the Stormy Down to Groes M4 motorway near Port Talbot, South Wales. The order was placed by the main contractor Bovis Civil Engineering.

★

TAYLOR INSTRUMENTS, Stevenage, has won a contract for the shipboard installation of pneumatic controllers and potentiometric instruments. The order comes from Hydraulics and Pneumatics, Wolverhampton, who will in turn be responsible for the hydraulic control and value indicating position systems for six general purpose 31,500-ton deadweight product tankers to be built at the Saint John Shipbuilding and Drydock Company, New Brunswick, Canada, for Shell Bermuda (Overseas).

★

GOUGH COOPER AND CO., Dartford, has received a £835,000 contract to build 83 new homes with roads and ancillary works at Branksome Hill Road, Sandhurst, Berkshire by Bracknell District Council.

★

ROBERT MORTON (DG), part of the Lindustries Group, has been awarded an order worth more than £650,000 by Bass Production for the manufacture and installation in its Burton-on-Trent brewery of 12 1,200-barrel stainless steel conditioning tanks.

★

BRENT CHEMICALS INTERNATIONAL *has won two contracts* totalling more than £500,000, including one worth £250,000 to supply a complete cleaning and overhauling plant for aero and marine engines at the Royal Naval aircraft yard at Fleetlands.

★

RACAL COMMUNICATIONS SYSTEMS, Bracknell, Berks., has won a contract to replace transmitter *drive units in Royal Navy* ships. The order is for driver units for shipborne MF/HF transmitters which can be installed quickly by ships crews without an extensive dockyard refit, and includes auxiliary units providing power supplies and filters to interface with existing equipment.

★

PLESSEY MEMORIES, Towcester, Northants., has received further orders for ferrite core computer memory stacks, worth £400,000, from International Computers. *These orders bring total* ICL requirements from Plessey to over 2,000 units.

★

N. G. BAILEY AND CO., Sheffield, has won four orders totalling more than £350,000. These involve the complete electrical installation at the new Sheffield magistrates courts; Netheredge hospital, Sheffield; office block development in Oxford Road, Bournemouth; and the new Midland Bank headquarters in the Pennine Centre, Sheffield.

★

KENT INSTRUMENTS, Luton, has been awarded orders totalling more than £208,000 for British Petroleum's industrial power generation plant at Grangemouth, where BP is adding a 75 MVA extension to the existing station, making a total of 215 MVA. Orders placed by Babcock and Wilcox cover the design, supply, installation and commissioning of process instrumentation on two new boilers of the multi-fuel firing type. An additional order has been received for instrumentation to go in a pressure reducing and desuperheating plant.

★

FIBRE RESIN DEVELOPMENTS, Isle of Wight, has received an order from Ford of Britain for mouldings for the rear quarter panels of three versions of Escort cars.

★

RACAL-MILGO, Reading, has won an order worth almost £200,000 from Littlewoods, the Liverpool-based mail order firm. The company is supplying Littlewoods with a variety of equipment to facilitate improved links between six companies and associated warehouses throughout the north of England, via a controlling centre at Bolton.

★

PLESSEY CONNECTORS has received an order worth £50,000 from Marconi Space and Defence Systems for sub-micro high density circular connectors, which will be used for installation on military transceiving equipment.

★

GLENHILL FURNISHING, of Hounslow, has been awarded three residential furnishing contracts from Howard Doris for the Loch Kishorn gravity platform construction yard, totalling more than £106,000. Loch Kishorn, on the West Coast of Scotland, is being developed by Howard Doris as a gravity platform construction yard where the master platform for the Ninian oilfield is being constructed.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Finance for Private Company Shareholders

If you are a shareholder in an established private company and you or the company require £50,000 or more for any purpose, ring Richard Strong, Charterhouse Development.

Investing in private companies as minority shareholders has been our exclusive business for over 40 years.

Perhaps we can help you?

CHARTERHOUSE

Charterhouse Development Limited, 1 Paternoster Row, St. Pauls, London EC4M 7DH. Telephone: 01-248 3999.
A Charterhouse Group company

New Fuel Saving Technology

I AM LOOKING FOR SOMEONE TO RUN AND EXPAND MY THRIVING BUSINESS.
This is a unique business opportunity for a successful Businessman, Accountant, Solicitor, Banker or substantial marketing oriented company.
Due to early retirement through illness of owner of rapidly expanding, nationally known group of companies, applications are invited from individuals or substantial companies, of the highest reputation, with a view to run and expand our operations on a monthly rental and long-term share participation basis.
No immediate capital required. We have no Bank overdraft or financial difficulties. We are a specialist manufacturer of a unique range of advanced technological appliances and systems selling to the public, offices, factories, hospitals etc. with a vast export potential.
We have excellent staff and freehold premises (London). Only seriously interested parties should reply stating their background and competence to run and expand our business.
All propositions will be considered. Please reply to:
Box E.6870, Financial Times,
10 Cannon Street, EC4P 4BY

U.K. FOOD DISTRIBUTION

U.K. Food Distributor with National Field Sales Force and Distribution Operation can handle additional products.

If your sales and distribution costs are a cause of concern please contact our advisers in complete confidence for an initial discussion.

McKenna & Co.
12 Whitehall
LONDON
SW1A 2DZ
Ref. SKW

NORTH WEST SAND QUARRY FOR SALE

Builders' sand
Estimated reserves 5m. tons
£135,000

Write Box E.6896, Financial Times, 10, Cannon Street, EC4P 4BY

HOUSE BUILDERS

Public property company is interested in acquiring house building companies. Existing management to be retained if desired. Also interested in financing house building developments on joint venture basis.

Please reply in strictest confidence to Box E6859, Financial Times, 10 Cannon Street, EC4P 4BY

Confidentially... convert your debtors into cash

CONTACT- Confidential Invoice Discounting Ltd
Circus House New England Road Brighton Sussex BN1 4GX
Telephone. Brighton (0273) 66700
A subsidiary of International Factors Limited

BUSINESS WANTED NEAR LONDON

Private party wishes to purchase sound business within 30 miles of London which would justify price up to £300,000. Terms flexible—immediate or phased over several years if desired. Special arrangements possible for retiring principals. Write in total confidence, through intermediary if preferred, to: Box E.6844, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED VEHICLE LEASING CONTRACT HIRE

activity operating nationally or locally

Will purchase for cash either trading company of just lease contracts. With or without current management.

Apply in confidence to:
W. L. Tait, Touche Ross & Co., Management Consultants, 27, Chancery Lane, London, WC2A 1NF.

TERRORISM

We have developed an inexpensive new product range, already accepted by several nationally-known organisations, capable of partially or completely evacuating major buildings, complexes and hotels by safe exit routes in the event of terrorism, fire, or other emergencies.

We would particularly like to hear from organisations interested in these products for their own use, and also from well established distributive companies, at Home and Abroad, with strong contacts in Commerce, Industry, Local/National Government, Police, Defence Departments, etc. Please write in the first instance to Box E.6880, Financial Times, 10, Cannon Street, EC4P 4BY.

CAPITALISE ON US

We are a highly skilled and motivated company with a long record of efficiency and quality. We have a 10,000 square feet modern factory with its own inspection department in East Anglia, with easy access to the East Coast and London. We manufacture for the telecommunications, medical and scientific, and transport industries, amongst others. We don't want to lose any of our work force, built up and nurtured over 11 years. We must protect our exceptional design and manufacturing skills by obtaining contract work. We would like you to contact us immediately.

Write Box E.6879, Financial Times, 10, Cannon Street, EC4P 4BY.

FORMULA for WORKING CAPITAL AND DEVELOPMENT FINANCE

SHORT & MEDIUM TERM FACILITIES AVAILABLE

Contact
FORMULA FINANCE LIMITED
35 Soho Square, London W1V 5DG
Tel: 01-434 1581 01-734 7566
Telex: 28111 Formulatd Ldn

GARAGE/SERVICE OPERATION FOR SALE, MID ESSEX

Premises comprising of 13,600 sq. ft. fully equipped to service Fleet Operator's requirement. Planning permission obtained for conversion to Commercial Garage/Filling Station.

Write Box E.6884, Financial Times, 10, Cannon Street, EC4P 4BY.

MINERALS INDUSTRY SERVICE COMPANY

Substantial stake available in profitable young company with experienced management providing specialised services to the international minerals industry in return for an investment of approximately £250,000. Principals only need apply.

Please reply Box E.6882, Financial Times, 10, Cannon Street, EC4P 4BY.

KEY TO ARAB OIL-RICHES!

"Commercial Directory of Kuwait, Gulf States and Oman" (1975/76) 4th Edn.

Over 700 pages of vital commercial/economic data with comprehensive Trade Listings of firms institutions in Kuwait Abu Dhabi, Dubai Qatar, Bahrain Sharjah, Oman etc. Send drafts cheques for $58 (postage incl.) to Kuwait Marketing Associates, P. Box 2015, KUWAIT (Arabia)

Do you need £100,000 or more

Investment finance is available to expanding private and public companies capable of earning pre-tax profits of at least £100,000. For further information ring Richard Battersby on 01-623 2632 or write to him at:

34, Nicholas Lane,
London, EC4P 4HX

CAPITAL AVAILABLE

Substantial capital available for the right businesses. Management expertise also available.
Write Box E.6888, Financial Times, 10, Cannon Street, EC4P 4BY.

PRINTERS SUPPLIERS

London Company offers storage, sales and distribution facilities. Paper, Chemicals, Inks, Plates, Blankets and all consumable products required for inclusion in comprehensive daily delivery service within London postal districts to printers, newspapers, typesetters, platemakers, etc. Write Box E.6889, Financial Times, 10, Cannon Street, EC4B 4BY.

PROFITABLE HEAVY ENGINEERING BUSINESS FOR SALE

Turnover in excess £200,000 p.a., 50,000 sq. ft. on 4 acres freehold land. Continuity of management.
Write Box E.6890, Financial Times, 10, Cannon Street, EC4P 4BY.

BRIDGING & BUILDING FINANCE

£5,000—£100,000

Period 6 to 24 months. Every transaction considered on its merits. Leon Wayne (Capital Funding) Ltd., Elta House, Priory Close, London N20 8BB
Telephone: 01-446 4226

CAPITAL AVAILABLE FOR ACQUISITION OF SOUND PRIVATE COMPANIES

Write Box E.6886, Financial Times, 10, Cannon Street, EC4P 4BY.

LIQUIDATION STOCK

OFFICE FURNITURE FROM BANKRUPT FIRMS

Modern mahogany antique desks, executive chairs, Roneo lateral filing cabs., cupboards, bookcases, Kardex and Roneodex cabinets, Adler and Olympia typewriters. Full details from Brian North or Andrew Mackie on 01-837 9683. On view at Commercial, 46/47, Great Sutton Street, E.C.1.

W.1. ACCOUNTANCY RECRUITMENT AGENCY FOR SALE

Excellent small office suite, 2-year lease renewable. Profits £6,000-£10,000 p.a. 100% equity. £11,000 represented by goodwill, lease premium and work in progress. Write Box E.6883, Financial Times, 10, Cannon Street, EC4P 4BY.

RENT-A-DESK

We are an international organisation based in Central Croydon having telephone, telex and secretarial facilities and we are prepared to rent a desk to the small businessman who wishes to take advantage of such facilities.

Write Box E.6881, Financial Times, 10, Cannon Street, EC4P 4BY.

DEVELOPMENT TAX LOSSES WANTED

Clients are interested in losses £10,000/£100,000 in refurbishing/dealing/reconstructing.

ANTONY WILLATS,
Chartered Accountant,
4 Sydenham Avenue, London, SE26 6UH.

GROUP OF COMPANIES

including Export Packers, Freight Forwarders, Storage and Haulage and Distribution, with turnover currently in excess of £2 million for sale. The present year's profits will exceed £125,000 after directors' remuneration etc. The present young management are prepared to continue.

Write Box E.6873, Financial Times, 10, Cannon Street, EC4P 4BY.

PRECISION ENGINEERING

Unique opportunity to purchase freehold factory premises, fully equipped modern mills, lathes, capstans, drills etc., approx. 2,500 sq. ft. in Kent countryside near Paddock Wood and Maidstone with easy access to A.20 and M.20, together with attractive 3 bed. Director's house and garden. All with vacant possession on completion—£70,000 for quick sale.
Write Box E.6877, Financial Times, 10, Cannon Street, EC4P 4BY.

SOUTH AFRICA

Consultants regularly visiting South Africa can assist in your marketing in this area.

Please telephone
Odiham, Hants, (025-671)-2910

TELEX—£25 p.a.

Put a Telex at your disposal for £25 p.a. Why not cut your phone bill and speed up your business?

BRITISH MONOMARKS (Est. 1925)
01-405 4442 — 01-242 7463

SUBSTANTIAL PRIVATE COMPANY

Looking to acquire trading businesses in the North West which are capable of profitable expansion.

Principals only
Write Box E.6893, Financial Times, 10, Cannon Street, EC4P 4BY.

TEHERAN - IRAN

You need your own activity there, but are deterred by High Costs, Distance, Language and nobody suitable to send.

I offer full range of services from Mail, Telephone Telex at prestige address, to first class introductions for all types of Business, Interviews and Financial Negotiations.

Write Box E.6891, Financial Times 10 Cannon Street, EC4P 4BY

LOSS COMPANY— CAPITAL GAINS TAX

Company for sale with substantial losses (£500,000+) available for capital gains tax. Please submit details in strict confidence to Box E.6894, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY DIRECTOR OF INVESTMENT AND FINANCIAL GROUP

visiting Canada, U.S.A. (East and West Coast) and South America very shortly will consider one or two specific commissions or investigations. Extensive connection offices and corporate facilities available in these countries. Telephone 01-493 3607

HISTORIC STATELY HOME IN WEST MIDLANDS

Well-placed in the attendance league, seeks new purpose for large and elegant range of buildings adjacent to public facilities, with view to boosting attendances still higher. Jointly-financed projects considered, particularly those with educational basis.

Principals only please

Write Box E.6902, Financial Times, 10, Cannon Street, EC4P 4BY.

Profitable, well-established London ADVERTISING AGENCY

with excellent facilities, has minority interest (plus tax-free overseas income) available to organisation that would find it complementary to its activities. Your introduction of media turnover essential. Strictest confidence. Own clients advised

Chairman, Box E.6900, Financial Times, 10, Cannon Street, EC4P 4BY.

SOUTH EAST ASIA

A growth area with low wages for JOINT VENTURES or TRADING

Write Box E.6901, Financial Times, 10, Cannon Street, EC4P 4BY.

PLANT AND MACHINERY

FORK LIFT SIDELOADERS. 4-ton capacity. Lancer Boss. Excellent condition, £1,850. Also 25-ton Lancer Boss Sideloader and choice of 60 used front loader Fork Lift Trucks. All stocks must be cleared irrespective of cost. Open to any reasonable offers on any individual truck or complete stock. Birmingham Fork Lift Truck Ltd. 021-327 5944/5. Telex 337052.

GENERATORS. New & used. Wide range. Competitive prices. World-wide specialists.—Generex Ltd (073 522) 3033 Telex 848 537.

RESALE WEEKLY is Europe's No. 1 journal for used plant and machinery. Ring 01-471 8221-2-3 today for your free copy.

ELECTRONICS, DIGITAL SYSTEM ENGINEERS anticipating rapid expansion seek additional resources. Possible Directorships available. Further details from Box E.6885, Financial Times, 10, Cannon Street EC4P 4BY.

COMMODITY TRADER. Man with authority and wide connections required for consultancy work, possibly a retired trader or senior executive U.K. or overseas. Apply Mr G. Stewart, Charterhouse Appointments, 9 Great Newport Street London W.C.2 01-836 2377.

AN OPPORTUNITY to acquire an old established and profitable commercial letterpress printing and stationery business in South Devon. Turnover £100,000 plus. Mainly modern premises. For further particulars write quoting Ref. PB220 to Box E.6872, Financial Times, 10, Cannon Street, EC4P 4BY.

BUSINESS MAIL ADDRESS, reception and secretarial facilities in the City of London. Telephone Ingrid Gee 01-248 6727.

MIDLANDS BASED Finance Company seek source of capital to lend either secured or unsecured, or possible agency with large finance organisation. Good Motor Trade connections. Write Box E6878, Financial Times, 10, Cannon Street, EC4P 4BY.

IBM ELECTRIC TYPEWRITERS. Factory reconditioned and warranted by IBM. Buy—save up to 30pc. Lease—3 years from £2.20 weekly. Rent—from £16 per month. Phone Vertex 01-641 2365.

ADFONE BUSINESS SERVICES offer in Regent Street, W.1., mail, telephone, telex and office services—Phone 01-734 9571, or write Box E.4596, Financial Times, 10, Cannon Street, EC4P 4BY.

PERSON OF INTEGRITY and acumen invited to participate in small company, soundly financed, exploiting commercial application of proven energy technology. Write Box E.6887, Financial Times, 10, Cannon Street, EC4P 4BY.

FULLY EQUIPPED OFFICE (including Telex) and multi-lingual secretary available—centre of Luxembourg city. Present tenants are interested in either disposal of lease and assets or provision of office facilities for a fee. Contact Darlington 53531 for further information.

A COMPLETELY FREE prestige City office in return for part profit in your expanding business, using your own staff. 430 sq. ft. superb furn., carpets, phones, telex. Write Box E.6899, Financial Times, 10, Cannon Street, EC4P 4BY.

A BARGAIN. Ltd companies £75 formed or ready-made. Express Co. Registration Ltd., 30 City Road, EC.2 01-628 5434-5.

LETTER OF CREDIT FINANCE available for experienced well connected traders. Apply with outline details of proposition to Box E.6895, Financial Times, 10, Cannon Street, London, EC4P 4BY.

Scottish campaign in U.S. to attract investment

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE SCOTTISH Council (Development and Industry) begins a job-seeking drive in the U.S. this month. During the campaign, which lasts eight months, the council, a Government-backed promotion agency, will contact over 1,000 companies in five American cities.

The effort coincides with the forthcoming celebration of the bicentenary of the Declaration of Independence, and to mark this the council's last stop with its travelling exhibition will be in Philadelphia in July.

The council will stress Scotland's historical links with the U.S., recalling among other things that several Scots were among the signatories of the Declaration. It will point out that Scotland has become the U.K. region with the heaviest concentration of U.S. manufacturing investment.

More than 150 American-owned or associated companies have invested an estimated £300m. in Scottish production facilities and they now employ about 90,000 people and account for £400m. worth of exports, 25 per cent. of the Scottish total.

Mr. Lindsay Aitken, the council's industrial director, said there were now excellent prospects for attracting more U.S. investment, particularly in engineering and oil-related enterprises.

The "quite remarkable" goodwill shown towards Scotland in the U.S. was illustrated, he said, by the fact that the council's exhibition in Los Angeles, San Francisco, Chicago, New York and Philadelphia were being housed on prime sites free of charge, as was the provision of radio, TV and other advertising.

West Midlands company will recruit 200

A WEST MIDLANDS clothing company wants to recruit 200 more workers. Tillie-Paveley, which started production in temporary premises last April, with one operator, already employs 109 women.

The new jobs will also be for women who will work at two new factories being opened by the company in the Blackheath and Rowley areas. This expansion gives a boost to job prospects in the area.

Reyrolle to cut 600 jobs

The Tyneside engineering concern, Reyrolle, is proposing to cut its 5,000-strong labour force by about 600 over the next ... years. The company is discussing the cuts with trade unions this week. It says there are to be ... redundancies and reductions will be effected, mainly by natural wastage. White-collar workers and indirect labour will be chiefly affected.

The company stated yesterday: "The high level of overhead costs has been a serious problem at Reyrolle for some time and it has been accentuated by inflation.

The main contribution to the problem is the number of ... and indirect workers, which is high in comparison to the requirements of the business.

"The proposals, which will require the support of the unions, have been put forward in the spirit of co-operation which is essential in the situation that British industry finds itself in to-day."

Mr. Vincent Fitzpatrick, works convener, said: "It will be difficult for the unions to accept the cuts at this stage."

Reardon Smith drilling rig nearly ready

THE FIRST drilling rig of three being built for the Reardon Smith Exploration of Cardiff is being delivered on December 20 as negotiations proceed with three oil companies which are interested in contracting the drilling unit to explore offshore areas.

The semi-submersible rig, Atlantic 1, is now being loaded with stores and equipment at Bergen, Norway, and a full crew of drillers and toolpushers is being recruited by RSE, a subsidiary of the Cardiff-based shipping line.

Atlantic 1, built in Norway and capable of drilling to 25,000 feet in 860 feet of water, is to be followed by Reardon Smith's orders for the semi-submersible rigs, Celtic 1, next June, and Atlantic 2 next November. They will be owned and operated by British-based consortia called Atlantic Drilling and Celtic Drilling.

October cheque clearings up 18.5% on year

BY COLIN MILLHAM

CHEQUES HANDLED by the Bankers' Clearing House in October were valued at £164bn., which is an increase of 18.5 per cent. over the same month in 1974.

The town department, which handles the large financial business of the City, recorded a rise of 18.9 per cent., while general clearings increased by 14.6 per cent.

Over the first ten months of the year, business totalled £1,503bn., a gain of 8.3 per cent.

INTER-BANK CLEARINGS AT BANKERS' CLEARING HOUSE

	October 1975 £m.	October 1974 £m.	Change %
Credit clearing	1,967	1,739	+13.1
Debit clearing:			
Town	146,627	123,292	+18.9
General	17,431	15,211	+14.6
Debit total	164,058	138,503	+18.5
	Jan.-Oct. 1975 £m.	Jan.-Oct. 1974 £m.	Change %
Credit clearing	18,018	15,230	+18.3
Debit clearing:			
Town	1,347,464	1,255,332	7.3
General	156,212	133,401	−17.1
Debit total	1,503,676	1,388,733	+8.3

Guinness bid to buy village

THE GUINNESS TRUST, based in High Wycombe, Bucks, is negotiating to buy an entire Derbyshire village near Alfreton.

The trust, which has been established for many years as a housing association to provide homes for workers, is set to finalise a £500,000 deal for Riddings from Stonegate Securities.

The trust hopes to buy the village, which has several hundred houses, and carry out improvement, modernisation and development work.

BRAILLE BANKING AT THE MIDLAND

BLIND customers of Midland Bank can now receive their statements in Braille under a system devised by the Warwick University research unit for the blind.

There will be no extra charge to blind customers for this service.

Are your visitors better-informed than your staff?

Many companies very sensibly have a copy of the Financial Times in reception for visitors. But are your senior executives so fortunate?

They are the people who need up-to-date intelligence on every aspect of business—not just in their own specialised field.

And by making sure they each receive their own FT every morning you'll be making an important contribution to your own business efficiency.

In these competitive times everyone in business needs the Financial Times

FINANCIAL TIMES SURVEY

Tuesday November 11 1975

GATWICK AIRPORT

Gatwick Airport, the second busiest in the U.K., is now undergoing an extensive modernisation programme. It will cost about £70m. The aim is to raise total handling capacity from the present level of 6m. passengers a year to 16m., in anticipation of air traffic growth through the 1980s. This is likely to result in significant changes in both the air traffic pattern in Southern England, and in the local environment.

Future traffic needs

By Michael Donne, Aerospace Correspondent

ME TIME in the next few ›ks, the Government is ›ected to publish the first of comprehensive consultative ›uments on its long-term air- ts policy for the U.K. This deal with the general ›stion of future air traffic to from this country, the ›sibility of diverting some of ›o regional airports, and the ›elopment of airports in ›don and the South-East. The ›ond document, to be pub- ›ed early next year, will deal policy for specific regional ›orts. These documents are ›nded as the basis for dis- ›sion on the whole future of ›orts in this country, before l policy decisions are taken.

›asic

›hatever the two documents say, however, is not ›ected to change one basic —that without a Maplin air- ›, and with severe limita- ›s on the use that can be ›le of Stansted, any further ›ansion in air traffic in the ›th-East will have to be ›ely met by greater use of Heathrow and Gatwick, owned and run by the ›ish Airports Authority. ›e additional traffic, of ›rse, can be fed into the ›onal airports system, especi- if there is a conscious ›rt over the years to improve volume of international ›ices linking major regional ›orts such as Manchester, ›ningham, Bristol, Glasgow, ›castle and Leeds-Bradford, overseas destinations. But s generally agreed that a ›stantial proportion of all ›re U.K. international air traffic will still want to come to London and the South-East, with the result that traffic at the airports in the area will expand.

Despite the current economic recession, which has resulted in some decline in passenger movements at U.K. airports over the past year or so, most air transport observers are convinced that sooner or later conditions will improve, bringing a renewed expansion in world air traffic, although perhaps at a slower rate than the industry became accustomed to in the mid to late 1960s. This in turn will result in increasing pressure on all the airports in the U.K., but particularly Heathrow and Gatwick.

Preliminary planning statistics prepared by the British Airports Authority indicate that total traffic in the London area by 1990 will be just over 80m., compared with 26.4m. in 1974-75. Theoretically, the four existing airports could meet this demand if they were all developed within their existing boundaries to maximum capacity, with Heathrow being expanded to 38m. against the present 20.7m. (with perhaps further growth to 53m. if a new terminal were permitted at Perry Oaks), Gatwick being expanded to 25m. against the present 6m., Stansted to 16m. against the present 212,000 and Luton (a municipally owned airport) going to 10m. against its present 2.8m.

In practice, however, the aim for the foreseeable future is to concentrate the bulk of the development at Heathrow and Gatwick, so that Heathrow will be able to cope with 30m. a year and Gatwick 16m. by the early to mid-1980s. Stansted will not be developed as a major airport under present plans (although it will remain as an optional "expansion chamber" for the South-East) while Luton's development will depend largely upon the rate of growth of charter demand.

This is the reason for the current £70m. modernisation plan now under way at Gatwick, 28 miles south of London, which is more than half-way through. Its overall effect, when completed in 1977, will be to increase the average passenger flow rate through the airport from the present 2,300 an hour to 5,200 equivalent to a handling capacity of 16m. passengers a year.

The first point to be stressed is that this modernisation programme is based upon continued use of only one runway (10.165 feet), despite the substantial expansion of all the other facilities. The current "busy hour" transport aircraft movement rate of 18 (arrivals and departures together) would rise to about 34 on the basis of 16m. passengers a year. The British Airports Authority says that the ultimate capacity of Gatwick with a single runway is about 25m. passengers a year, or about 9m. more than currently planned, but this would require additional developments to passenger and cargo facilities going beyond those now planned. The present runway is long enough to take all the current generation of "wide-bodied" jets, including fully-laden Jumbos for Atlantic and other long-haul routes, and Concorde.

The BAA does not, in fact, intend to develop a second runway, and it is expected that the Government's airport consultative documents to be published soon will confirm this. This view is not necessarily accepted by all of the airlines using the airport, some of whom express concern at the possibility of restrictions on their movements for runway repairs or for clearing it in the event of an accident, for example. But the BAA argues that major repairs can be undertaken at night (probably aided by the Government's own restrictions on night jet movements at the airport, which may well become tougher), while it is pointed out that on only one occasion has any runway at Heathrow been blocked in the past 20 years. Modern "hover-pallet" techniques, moreover, can quickly clear any blockage from the runway if necessary.

The overall modernisation plan for Gatwick includes a new main international arrivals building, which has now been completed and is in use, costing £7.5m., with a spectator's base on its roof. Work is now under way on extending and converting the original terminal into an international departures and domestic flights building, at a cost of £20m. When this is completed, in the spring of 1977, there will be 90 check-in desks, an improved departure lounge, a larger duty-free supermarket and extended catering facilities.

Immediately to the south of this building a new office block for airlines and other operational purposes is under construction. The existing central passenger pier is to be replaced by a new pier by the spring of 1977 at a cost of £10.7m., with air-condition gate-rooms, and air jetties to stands for up to four wide-bodied and six conventional long-haul aircraft. This pier will be 450 metres long, and will have moving walkways for passengers.

In the longer term, it may be necessary to build an additional pier system to the north of the existing terminal complex, in the form of a "satellite" building connected to the main terminal area by a rapid transit system. If necessary, it is likely to be commissioned by about 1980.

Because access is of vital importance, two new multi-storey short-term car parks for up to 1,100 cars each, and large long-term surface car parks have been built on a 98-acre area east of the railway, connected directly to the main terminal area by a pedestrian bridge with a moving walkway, over the railway. These are now open. Eventually, the main entrance to the airport will be from the eastern side, the present elevated forecourt over the A23 highway being closed.

As part of the access improvement scheme, a major link road is being built between the present A23 and the new M23 motorway, with direct spurs from it leading into the airport. Eventually, also, the British Rail station is to be modernised and extended at a cost of about £4m.

So far as cargo is concerned, the BAA is building a major fully-bonded "on-airport" complex north of the existing terminal apron, while a private developer, John Matthews (Properties), is developing another non-bonded "off-airport" cargo facility to the south, outside the airport boundary on the site of the former Lowfield Heath village.

The maintenance areas on the southern side of the airport are almost fully developed, and will be expanded by using the available space north of the runway, with the construction of taxiways, access roads and services, with the land being made available to the airlines for their development of their own facilities.

The broad area of land north of these cargo and maintenance areas will then be constituted a "buffer zone" between the operational area of the airport and the residential areas outside the airport's northern boundary. In this way, the BAA is aiming to minimise the intrusion of the airport into the local environment, a plan which is being supplemented by extensive landscaping where possible, the construction of earth banks and provision of a 25-metres wide belt of trees, widening to 50 metres in places.

It is also the BAA's intention to stay within the existing boundary of the airport. The restrictions imposed by the runway, and various radar and radio sites, inhibit or even sterilise the use of quite a large area of land, while the shape of the boundary itself leaves pockets of land that are inadequate for other developments. In addition, the area to be used for landscaping removes a substantial acreage from that available for normal airport developments. All these areas will be left, or otherwise landscaped, so as to ensure that there are no hideous blots on the airport's horizon. The BAA adds that, unless there is a radical change in the Government's policy towards airports in the South-East, it is unlikely that the airport will encroach significantly on the surrounding area, although additional pockets of land may be acquired when necessary to create a more rational boundary line.

Outlined

All of these developments are designed to ensure that the modernised Gatwick will be able to take up to 16m. passengers a year by the early to mid-1980s. Should the Government's policy, as outlined in the forthcoming consultation documents, require the further expansion of Gatwick to the full 25m. passengers ultimately possible on only one runway, further developments would be needed. These could include, for example, another main terminal complex to the north-west of the existing area, with its own road links to the A23/M23 interchange system now under construction, perhaps also having its own rapid transit link to the BR station. The correct

CONTINUED ON NEXT PAGE

Well-ordered development

GATWICK AIRPORT has a history which reaches back over 45 years. The first emergence from what was nothing but a country airfield came in 1936, when, as a result of an architectural competition won by Hoar Marlow and Lovett, the first purpose-built terminal building was erected. This building, now described as the "Beehive," is completely circular and had a subway connection to the railway. Passengers reached the aircraft by way of telescopic canopies radiating from the perimeter. This still handsome and historic little building will surely be preserved as the first circular perimeter loading airport building in the world.

The Beehive was closed in 1956 when work started on the present airport a mile to the north. The first stage, with a central pier for covered access to the aircraft, was completed in 1958, connection with the railway still being by way of the old Gatwick racecourse station. By 1965 the size of the terminal building had doubled and the north and south piers had been added. A five-storey office block above the terminal was completed in 1968 and the main runway was subsequently extended to a length of nearly two miles.

Enormous

The present operations are enormous, representing an eventual expenditure approaching £100m. Included are two multi-storey car parks, and also open parking for well over 2,000 staff cars. A bridge with a wide moving walkway connects the parking area with the terminal. The terminal building of 1958 is being completely modernised to handle all flight departures and U.K. arrivals. The new international arrivals section was opened in 1974 and a new central pier is to be twice the length of the present one and will also be provided with moving walkways.

All this activity means a tremendous programme of sheer physical activity on the ground and of organisational and administrative activity both on site and in the background. But before any of this could take place an ordered plan had to be worked out in terms of written briefs for the designers and builders, accompanied by a multitude of working drawings from both architects and engineers. The visible order now seen in the organisation of progress from car or train to the aircraft and the sense of order engendered by both the exterior and interior of these large buildings had to start in the architect's drawing office. In any case, this enterprise represents a drastic invasion of the countryside and it is the skill of architects and landscape designers which must determine the ultimate effect of its impact on natural surroundings.

Intriguing

The major portion of all the new and proposed buildings are already there and it is intriguing to notice the changes in design which have taken place since the first stage in 1958. The firm of Yorke Rosenberg Mardall has been responsible for the architecture of these buildings during the whole of that time. During this period architectural attitudes have gone through quite a few changes and while it is true to say that this firm can never be accused of either starting or following an architectural fashion, there are certain stylistic changes that could not have been kept out of a practice of such wide operational activities as this.

For instance, even the colour of the exposed mullions of the 1958 building has gone through several stages, now having been repainted a dark brown in tune with the latest extension to the 1974 building with its similarly exposed vertical members. The solid line of plant rooms and lift heads forming the roofscape above the 1968 office block are, in the later work, disposed as emphatic towers, definite architectural features, to be seen above the 1974 arrivals building and as lift heads in the multi-storey car park on the other side of the railway.

At the present time re-organisation of the first terminal building, now the departures building, is rapidly going ahead, the first stage to be finished in July next year, with the second and third stages in February and August 1977. The consequent necessity for closing down certain large sections while work is going on has led to much ingenuity on the part of architects and contractors in screening in such a way as to give passengers no feeling of disturbance or incompleteness in the arrangement of these busy, lively and friendly surroundings. Another concession to the changes in architectural thought, through popular demand, will be found in the introduction of more colour into the interior: for instance by facing the present grey of the concrete columns with painted plaster.

The new arrivals building of 1974, with its dark enclosure surmounted by light coloured towers, has an extremly well considered interior, both in planning and in detail. It is at present being extended towards the railway with the hope of a still further extension to give far more liberal space to the arrivals concourse. Nevertheless, the spatial content of the remainder of the stimulating interior should be an eye-opener to those whose only other experience of visiting this country starts with the chaos experienced in some other of our airports. The functional aspects of passenger and baggage arrivals are well catered for and will be further improved with the completion of the new pier, over 300 metres in length, with its moving floorways and invalid facilities.

The public spaces, such as the restaurants, are highly decorative, with gay colours in carpeting, furniture and murals. One floor is entirely devoted to eating and drinking with the most expensive areas looking out across water and fountains towards the airfield. On the floor below the baggage hall, with its seven moving fingers delivering luggage from the baggage vehicles, has a flat roof extending beyond the windows of the restaurant above. It is this large area which has been entirely flooded, the water being constantly on the move by the action of two long rows of fountains.

The two minor restaurants on the railway side of the building are placed internally, being separated from the outer wall of the building by a corridor with seating. Glazing to the outer wall is clear, giving a light and airy atmosphere to the corridor. The glass wall separating it from the restaurants is dark, affording a striking contrast with the artificially lit restaurant inside. Lighting is subdued and the white topped circular tables are surrounded with elegant green chairs.

Across the way the multi-storey car parks have been carefully designed so as to minimise the strong horizontal and windowless emphasis so characteristic of these utilitarian structures. The cladding is in a soft toned grey-green metal facing, the towers faced with cream coloured finish. But the transition from covered car park to the buildings across the way is effectively resolved by the dark brown steelwork and dark glazing of the reception building. Passengers, having lef their cars, cross under cover to reception and then proceed by a covered bridge with a moving floorway to the departures building across the railway. The exterior of the bridge is treated with the decent anonymity of plain light coloured vertical panels stopped above and below by the dark steel girders which carry it.

The most important visual aspect of this large conglomeration of buildings is siting and landscaping. Obviously the site was chosen because of its suitability as an airport. But it happens to occupy the one completely flat area in a rolling countryside of great beauty. The future road approach to the immediate environs of the airport will be from one directi[on] only: a roundabout on the cr[est] of the rising ground to t[he] north-east. From this po[int] almost nothing can be seen [of] the airport buildings but t[he] top storeys of the office bui[ld]ing, and that only between tr[ee]tops. The immediate count[ry]side is magnificently endow[ed] with fine trees of great vari[ety] and the approach winds throu[gh] them until it suddenly emerg[es] on to the great car park.

The creation of the new li[nk] between the A23 and the M[23] to the east, has meant a la[rge] amount of embankment bui[ld]ing and a substantial landsca[ping] plan has been devised [to] increase the rural atmosph[ere] of this north-eastern appro[ach] by judicious planting of a gr[een] belt of ground embracing t[he] north-east boundary of the a[ir]field. To the north and w[est] dense planting is envisaged [as] a screen for the country ro[und] around, with linear planti[ng,] hedging and fencing to [the] south and east.

Woodland

Among the problems to [be] considered is that of the bir[ds.] The kind and size of woodl[and] planting will undoubtedly p[ro]vide new homes for m[any] bird species, but the air[port] authority considers that [it] should constitute a hazard [to] aircraft because of size or habit of flying in flocks. La[nd]scaping generally is aiming [to] break up the present conc[en]trated views of building gro[ups] with planting, contouring [and] walling to encourage also [the] effect of order in the gene[ral] building lay-out. It is to [be] hoped that the present inter[est]ing and exciting if only mom[en]tary view of the Beehive bu[ild]ing and of the main runw[ay] enjoyed by passengers in p[ass]ing trains, will be preserved.

It is rather sad that [the] gradual growth of Gatw[ick] combined with its recent [sub]stantial expansion, has led [to] a departure from the main i[dea] of a large terminal build[ing] with a symmetrically dispo[sed] central and side piers. N[ow] the new and longer pier w[ill] be off centre and other essent[ial] buildings must be placed [in] their most practical positio[n.] But each by itself is a maste[r]work of design and the entire [area] in its setting, cannot avoid t[he] vital and dynamic atmosphere [of] a well-ordered whole.

H. A. N. Brockm[an]
Architecture Correspond[ent]

Steak bar and cocktail bar in the new catering area.

DESIGN AND CONSTRUCTION

The architects, engineers, surveyors and contractors include:

- Yorke Rosenberg Mardall and Partners
- Professor G. P. Youngman
- Kier
- Sir Frederick Snow and Partners
- Cyril Blumfield and Partners
- W. & C. French
- Donald Smith Seymour and Rooley
- Franklin and Andrews
- Sir Robert McAlpine and Sons
- Taylor Woodrow Construction
- George Wimpey and Co.
- Costain Construction

Traffic

CONTINUED FROM PREVIOUS PAGE

positioning of this terminal would be of paramount importance, and the current lull in the forecast growth of traffic is opportune, in that it is allowing the BAA more time to plan these longer-term options, with no commitment to undertake their development unless both traffic demand and Government policy dictate otherwise. Even if such further developments were to become necessary in the 1980s, it is stressed by the BAA that it would still be its intention to contain them within the present boundary line, and within the scope of one runway.

Inevitably, the expansion and modernisation of Gatwick will bring with it problems for the communities living round the airport. Notwithstanding the fact that some of the increased aircraft movements in the years ahead are likely to be with quieter "wide-bodied" jets such as Airbuses or TriStars, some increase in noise nuisance inevitably will occur. This is expected to be mitigated to some extent by the increased application of noise abatement procedures on take-off and landing, perhaps by the installation of hush-kits on some of the older generation of jets still in service (although these involve some performance penalties that airlines would not be anxious to incur), and by a tightening of existing curbs on night jet movements, perhaps with an eventual total night movements curfew being imposed by the Government. Any intensification of noise nuisance is likely in turn to give rise to an increase in the volume of local objections.

Zoning

To some extent, the BAA itself has begun to meet this problem through its extensive landscaping and buffer zoning plan for the airport. This could be supplemented by a vigorous policy on the part of local authorities to declare similar buffer zones immediately outside the airport, so as to prevent the envelopment of the airport by residential and even light industrial development, which almost invariably results in an increase in the volume of complaints about noise. By adopting a firm policy of retaining as much surrounding land for agricultural purposes as possible, much of the difficulty stemming from noise can be reduced in the years ahead.

The point that has to be made, however, no matter how unpalatable it may be to some, is that the major development of Gatwick is part of the price that has to be paid for the political decision to limit future development at Stansted. The scrapping of the Maplin plan in itself did not result in an immediate increase in the number of passengers that Gatwick was expected to handle—the 16m. a year figure for Gatwick had been decided upon before that. But, taken in conjunction with the limitation of development at Stansted, it does mean that unless a significant redistribution of international air traffic to near-regional airports (say, Bournemouth, Birmingham and the East Midlands) can be achieved, the long-term possibility remains of Heathrow being expected to cope with more than the planned 30m. and Gatwick more than the planned 16m.

Whether this will become necessary, no one knows. All aviation planning has to some extent to be conducted in an atmosphere of uncertainty, and in the past the tendency has been for the forecasts to prove conservative, rather than optimistic. In the present economic situation, the atmosphere of uncertainty has been intensified, and for the sake of prudence the planners are setting their sights for Gatwick on an expansion from 6m. to 16m. passengers a year, within the scope of the present airport boundary and one runway. Beyond that, there would be capacity, within the same physical constraints, to squeeze it up to 25m. But the present view is that this is only likely to become necessary if all current forecasts prove wrong, and that in the later 1980s or early 1990s there is such a major growth in U.K. air transport as to require a complete recasting of all Government, BAA and airline thinking. For the present, all the indications are that the capacity now planned will be adequate for a long time to come.

Better facilities the keynote

[TH]E KEY to success in the [dev]elopment of Gatwick rests [on] a comprehensive plan to im[pro]ve and expand a wide range [of] facilities, from roads to lug[ga]ge trolleys, meeting the [ne]eds of a rapidly increasing [nu]mber of passengers.

[B]ut this apparently straight[for]ward requirement has called [for] clear-sighted planning. [Usi]ng the considerable exper[tis]e of the British Airports [Au]thority, the Gatwick manage[me]nt and the numerous com[pan]ies involved in the work. [Ab]ove all, it has been and con[tin]ues to be an exercise in con[sul]tation between all involved.

[T]he comfort and convenience [of] the passenger, both during [the] present work at Gatwick [and] when it is completed, is [the] prime objective, but experi[enc]e at other airports such as [Hea]throw has shown that [maj]or building projects and [im]provement of existing build[ing]s are difficult to carry out [wh]ile an airport is in use for [up] to 20 hours a day. Neverthe[les]s, detailed planning has gone [a l]ong way to avoid problems.

[W]alkways

[I]n the broad scheme of [thi]ngs, many proposed im[pro]vements can be clearly [ide]ntified as those which the [tra]velling public is likely to [wan]t. For example, a recent [sur]vey showed that people [pas]sing through Gatwick were [mo]re concerned to see shorter [wal]ks to aircraft and for this [rea]son "moving walkways" [are] being introduced.

[P]assengers rated quicker [che]ck-in, faster baggage re[cla]im and tighter security as [the] next three most important [are]as of improvement. These [wer]e followed by the need to [red]uce crowding in working [and] waiting areas, increase the [nu]mber of luggage trolleys and [red]uce forecourt traffic con[ges]tion.

[A]lready a number of these requirements have been met by [th]e construction of new buildings. The first of these to be completed was the northern extension of the terminal building as an international arrivals area. Work is now in progress on a western extension and redesign of the existing passenger terminal to handle departures and all domestic traffic. Multi-storey car parks with 2,000 spaces have also been completed.

The completion of the car parks, and a bridge over the railway line connecting them to the main terminal building with the aid of one of the world's widest moving walkways, has in a sense marked the considerable expansion of Gatwick on the east side of the railway line.

The development has been much assisted by the amount of land available around the existing facilities, enabling planners to work without as much hinderance as has been experienced at Heathrow. It has also allowed them to take special care in making the new airport environmentally suited to its surroundings, with minimal felling of trees and landscaping of surrounding areas.

The total area of Gatwick airport is about 680 hectares, but restrictions imposed by the runway, the various radar and radio aids and landscaping will inhibit the use of quite a large area of land.

But unless there is a radical change in Government policy towards airports in the South-East, it is unlikely that the airport will encroach significantly on the surrounding areas.

Station

The central development at Gatwick, one of the few major airports in the world to be served by a rail link, is for that reason closely allied to the station which is itself due for rebuilding by British Rail. The greatest part of the £70m. investment is basically being spent on increasing the size of terminal facilities.

The northern extension of the terminal building, for use as an international arrivals area, has been completed by McAlpine and Taylor Woodrow is now carrying out the conversion of the existing terminal building. This will be air conditioned and a new chilling station is being constructed and the boiler house expanded. An office block has been built by Costain to accommodate airline and other operations offices.

Jetties

The existing central pier is now being replaced by a new one about 30 metres to the north, with air jetties and air-conditioned gate rooms on all nine aircraft stands. The pier, built by Wimpey, will be 450 metres long and have moving walkways.

It is envisaged that to maintain a high standard of pier service to passengers it may be necessary to construct a further pier system to the north of the terminal. This is expected to be in the form of a satellite, connected to the terminal by a rapid transit system, and should be commissioned by about 1980, allowing the whole complex to deal with about 16m. passengers a year.

With the growing use of larger aircraft, carrying more passengers per movement, the passenger element can continue to grow even if the movement rate of aircraft is restricted. For that reason there is expected to be a continuing need to provide additional terminal facilities and other requirements such as car parking. The form of the additional terminal facilities will obviously depend on the extent and timing of that growth and it is possible, the authority believes, that an additional separate terminal may be required.

The most favoured position for a second terminal would be in the area north-west of the existing terminal complex, where it would be possible to provide road links to the A23-M23 interchange, and also a rapid transit link to the railway station. However, this is a long term option which the present lull in forecast growth will provide opportunity to study.

The existing cargo shed is at capacity and there is no expansion capacity on the present site. It will be necessary to provide more space for the forecast growth in demand and the new cargo complex is planned for this area north of the western apron. It will have internal roads and services, accommodation for HM Customs, airlines and agents and separate cargo aircraft stands. The first phase is planned for completion in 1976.

Suitable

Similarly, the present maintenance area in the south is fully developed and the only suitable area is again north of the runway. After the construction of a taxiway, access road and services, land will be made available to airlines to develop their own facilities.

The first stage of the £1.8m. cargo contract, won by Marples Ridgeway (Building), includes four transit sheds giving nearly three times the working area presently available. The first and largest shed, for British Caledonian, is scheduled for operation in October next year. The second contract will follow later this year for associated services, car parks and an office block.

The showpiece of the development so far is the new international arrivals building, which opened in May last year and has more than adequately coped with the sometimes massive passenger flows which result from the near simultaneous arrival of a number of wide-bodied aircraft. The £6.5m. first phase of the extension virtually doubled the size of the terminal building. The second phase—including a new catering suite and spectators' area on the floor above—was completed eight months later.

In the arrivals section, which is fully air conditioned, solar bronze glazing has been used to reduce heat glare and lessen the demand for heating when needed. It has an automatic flight arrivals information indicator boards capable of handling 30 lines of information. "Race track" conveyor belts are used for luggage reclaim and experiments are now taking place to link two or even three of the units to deal temporarily with very high volume flights.

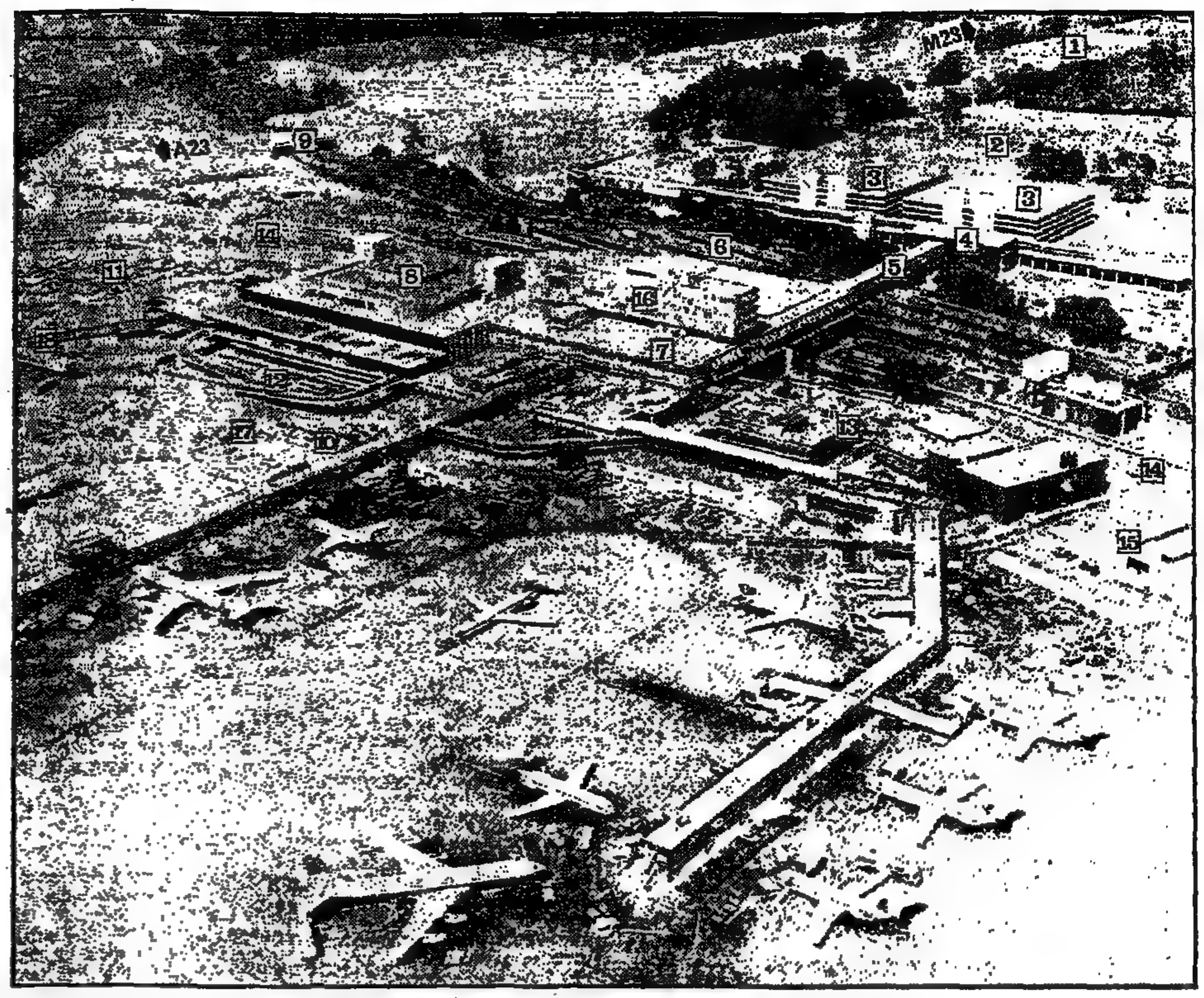
Cheerful

Considerable attention has been paid in the planning stages to the appearance of the interior, with the widespread use of cheerful colours and very durable materials for floor and wall coverings. Experience has shown that the extremely hard wear in an airport building can lead to excessive maintenance costs and a rapid deterioration in appearance. At Gatwick it is hoped that this can be avoided.

Baggage

An important innovation which has the personal attention of the airport director, Mr. John Mulkern, is the introduction of a truly efficient baggage trolley system, which will allow passengers to take them from the reclaim conveyor to their departure point from the airport. That he should have the inclination to attend to small details such as trolleys, which are nevertheless of great importance to a tired passenger, is an indication of the kind of service the airport intends to provide in future.

Lorne Barling



WHAT IS HAPPENING AT GATWICK

1. Passengers' long-term surface car parking (now open).
2. Staff car parking (now open).
3. Passengers' and visitors' short-term car parking.
4. Pick-up and set-down area for main terminal areas.
5. New southern bridge with moving walkway, linking pick-up area with main terminals (now open).
6. *British Rail station on main London-Brighton line.*
7. Main international departures and U.K. domestic operations terminal (now open), but being substantially expanded.
8. New international arrivals building.
9. Link road between A23 highway and M23 motorway.
10. Works for new central pier system, linking departure terminal with aircraft.
11. Existing short-term car parking, to be closed in near future.
12. Ramps for baggage trucks to arrivals building.
13. New airlines' administrative office block.
14. Existing A23 highway to Brighton and London.
15. Existing cargo terminal, to be replaced by new cargo terminal north of the existing runway.
16. *Existing airline and Airports Authority administrative block.*
17. Site for airside coach station, for buses taking passengers to and from aircraft.
18. *Existing northern pier to and from aircraft.*

Impact on the locality

THE LOCAL IMPACT of the £70m. modernisation of Gatwick Airport can be viewed in two ways.

On the one hand, Gatwick already acts, and will continue increasingly to act, as a catalyst for the economic development of the surrounding area, and notably of nearby Crawley itself. With some 10,000 workers employed directly on the airport, either by the airlines or the BAA or by ancillary organisations, and with another 4,000 employed indirectly locally in services of all kinds required by the airport, it is estimated that the annual payrolls pumped into the South-East as a result of its existence amount to not less than £40m., while the direct annual contribution by the BAA and other airport ratepayers to local authority rates is around £1.2m. in 1975-76. Quite apart from this is the demand created by the airport and its workers and their families for local services of all kinds—housing, schools, hospitals, local roads, sewage, electricity and so on. All of these activities are bound to grow as the airport's capacity itself grows from 6m. to 16m. passengers a year.

On the other hand, however, are the inevitable changes in the environment that all these developments bring—the likelihood of increased noise nuisance from greater numbers of arriving and departing aircraft, the increased volume of traffic on the roads, both local and trunk, and the increase in the acreages of built-up areas close to the airport as new housing, industrial and other facilities are provided.

Few detailed economic studies have been undertaken in this country of the impact of a new or expanding airport on its local community, but from studies undertaken in the U.S. it is possible to infer that there is invariably an overall economic gain from such a development—matched perhaps in some people's minds by an equivalent deterioration in the environmental standards of the locality. So far as Gatwick is concerned, the fact is that what was once a rural and comparatively peaceful part of Southern England is likely to change significantly in character as the airport develops.

Certainly, the BAA itself has recognised this, and is making considerable efforts to try to be a "good neighbour." To some extent, the decision to base the expansion of the airport on the continued use of one runway only can be seen as a conciliatory gesture to the surrounding communities, together with the BAA's assurance that every effort will be made to contain all future developments within the existing perimeters, and to landscape the airport area as much as possible.

Probably the most serious local objection to the expansion is likely to come from the increase in aircraft noise that can be expected. This can be contained in a variety of ways—by ensuring an increased use of the quieter "wide-bodied" types of aircraft; by strict control of take-off and landing procedures so as to minimise noise nuisance to communities immediately beneath or adjacent to approach and departure paths; by strict use of night jet curfews, and by extensive use of such facilities as noise insulation grants for homes in the immediate locality.

Question

All of these are being implemented, the major question being whether they go far enough. An analysis of aircraft movements at Gatwick by type of aircraft shows that last year, out of a total of some 72,500 transport aircraft movements (that is, movements other than in general aviation), the BAC One-Eleven accounted for no less than 30,800, or 42.5 per cent. of the total. This represented the biggest single volume of movements by one type of aircraft (the second largest was the Boeing 707/720 with 9,164 movements, or 12.6 per cent. of the total). Since there is so far no indication of any significant diminution in the volume of services conducted from Gatwick by this type of aircraft (notably by British Caledonian, Dan-Air and Laker Airways), the question is whether there will be any extensive use of "hush-kits" to get the noise made by this type of aircraft down. This is a matter which the airlines will have to consider in the immediate future, if they intend to kep these aircraft in service for any length of time. The problem is that while hush-kits for the One-Eleven are available, they are comparatively expensive (about £100,000 a time) and involve some penalties on weight and fuel consumption and provide only a marginal noise reduction. The airlines' dilemma is whether to buy the hush-kits and incur those penalties, affecting as they do the aircraft's earning capacity and profitability, or to reject them and face the prospect of increased local criticism over noise, with the possibility of stiffer Government regulations to control that nuisance.

One such control that seems almost certain to be toughened in the not too distant future is the night jet curfew. This past summer the number of night jet movements was restricted to 3,100. The figure may well be further cut this winter, and a curfew will certainly be maintained next summer. Eventually, it is likely that the Government will introduce a permanent type of curfew on such operations, not only at Gatwick but at most other if not all airports, effectively reducing the airports' working day (and hence their earning capacity) by as much as one-quarter to one-third. This would appear to be a drastic economic step to take, especially in such critical economic conditions as prevail to-day, but it is regarded by many as politically and sociologically essential.

During daytime operations, there is also likely to be greater attention given to variations in aircraft operating procedures so as to reduce noise on take-off and landing. The International Air Transport Association has been studying new "flight profiles" that help to reduce noise nuisance — for example by throttling back power before the airport boundaries are reached on climb-out and by delaying the use of flaps and the lowering of the landing gear on approach paths. The airlines using Gatwick regularly for scheduled services are all studying these procedures, but there has to be careful consideration of any effects they may have upon safety—which must remain the paramount requirement—before they can be adopted.

The airlines, too, are all considering the question of future aircraft fleets, and the increased use of quieter-generation wide-bodied aircraft is very much in their minds. Their problem here, however, is an economic one. The cost of such aircraft is high, and their procurement has to be related to earning power and traffic demand. While it is undoubtedly true that there will be increased use of such aircraft in future, the rate at which they are introduced will depend both upon the airlines' own financial situation and the traffic demand at the airport.

In the meantime, the BAA, recognising the existence of the problem, has introduced a noise insulation grants scheme, whereby homes close to the airport and most affected by noise become eligible for soundproofing grants, amounting to 100 per cent. of the cost of the work (or £360, whichever is the lesser) for those in the inner area closest to the airport, and 75 per cent. or £206 whichever is the lesser for those in outer areas.

The BAA has also recognised the need to make its new development as unobtrusive as possible. Had it been possible to scrap the existing Gatwick facilities and start all over again with a virgin site, as was going to be possible at Maplin, many of the latest developments in airport design could have been incorporated, such as sub-surface terminals, access roads and so on. Forced as it has been, however, for financial reasons to adapt existing facilities, and extend them where possible, the BAA is seeking to make them blend into the landscape, although inevitably it will never be possible to achieve complete unobtrusivity. Should there ever be the need for further development of the airport beyond the 16m. passenger capacity now planned, there is every reason why efforts should be made to put the new facilities underground, or at least partially sub-surface.

In the meantime, there is much that can be done. The BAA's landscaping programme, especially along the northern boundary of the airport with the proposed 25-metres wide woodland belt, is an excellent example of "buffer-zoning" that ought be extended to areas outside the airport where the local authorities themselves either already own or can acquire the necessary land. Alternatively, every effort should be made by the local authorities, not just in the immediate future but as a firm long-term policy for the next 20 years or more, to ensure that residential development and even light industry is kept a reasonable distance away from the airport, and not allowed to creep up to its boundaries as had happened elsewhere. As much of the immediately surrounding land that is currently devoted to agriculture ought to be retained for that purpose. This may appear to be idealistic in a country where land is at a premium, and where economic considerations have often to be balanced against those of the environmental preservation. But a failure not only to implement such a policy now and to maintain it over the years ahead could only lead to an eventual increase in the volume of noise complaints.

One other aspect of this whole question of the local impact deserves mention, and that is the right of the residents around Gatwick—notwithstanding the fact that many of them may owe their livelihood directly or indirectly to the airport—to argue that they are being called upon already to bear more than a fair share of the burdens of developing air traffic, and that should there ever be any need to go beyond 16m. passengers a year, the expansion should be channelled elsewhere.

Michael Donne

Road and rail links

IMPROVEMENTS IN ground transport connecting airports to their metropolitan centres have not in recent years kept pace with aircraft development, and the need to avoid unnecessary delays on the ground has become increasingly important.

Gatwick Airport, which expects a rapid build-up in passenger and cargo traffic in the next five years and suffers from a disadvantage in being farther from London than Heathrow, has reason therefore to ensure that it is easily accessible. Its present development plan relies on two ways of acvhieving this—new roads and motorway links and an improved rail service.

At present the airport is served by a 40-minute rail link with Victoria, running every 15 minutes from early morning until midnight. This evidently finds favour with passengers, as the proportion of air passengers travelling to and from Gatwick has been constant at 40 to 45 per cent. for a number of years.

The present station, built in 1958 in conjunction with an earlier development of the airport, was the first example of this kind of integration of air and rail travel. Since then air passenger throughput has grown from 370,000 to 5.2m. in 1974, of which 43 per cent. travelled to the airport by rail. In addition there were some 350,000 rail journeys to and from Gatwick by airport workers, aircrew and sightseers.

The current level of train service has the capacity to cater for over 45 per cent. of the planned airport throughput of 16m. air passengers per annum, so in that respect British Rail is not expected to be involved in any major expenditure, but discussions about how the service can be further improved, perhaps by making it more identifiable and geared to air passengers, are taking place.

Saturated

British Rail also plans to improve the direct train service from major towns in the south, such as Hastings, Eastbourne, Hove and Worthing. But the station at Gatwick will be saturated when total air passenger throughput reaches about 10m. or double the 1974 level. BR recognises this and intends, subject to Government approval, to redevelop the station at a cost of some £5m. It will be designed to handle some 10m. rail passengers a year.

In both the commercial and planning fields, close liaison is being maintained between BR and the British Airports Authority, with which special study groups have been set up to examine future needs. However, no plans have been made at present for any development at Victoria, where British Caledonian Airways operates an air/rail terminal.

Nevertheless, the basic operation from Victoria is generally regarded as satisfactory. The service provides for connections with other trains at Clapham Junction, East Croydon and Redhill. There is an hourly interval service from midnight to 6.00 a.m. all the year round.

Although the main service is based on Victoria, there is also a good half-hourly facility during most of the day from London Bridge (for City businessmen and South-East passengers) with a connection at East Croydon, giving an overall journey time of 40 to 46 minutes and an hourly train direct to Gatwick with a journey time of 53 minutes.

From the south Gatwick is served by an hourly fast train and half-hourly stopping trains from Brighton. During the night there is an hourly service from Brighton during the summer, two-hourly during the winter months. Thus the airport is regarded as adequately served from both north and south throughout the 24 hours. Rail hostesses are also on hand at Gatwick and Victoria to assist passengers.

Equally important to the future of the airport is the extensive development of roads, which can do a great deal to offset the distance disadvantage which may work against its interests. At present the main A23 London-Brighton road runs beneath the terminal and there is a new spur, similar to that at Heathrow, linking the airport entrance to the new M23 motorway.

But given the improved road access provided by the M23 and the M25 orbital road, together with the rail service, only traffic originating in the area together with some airport staff traffic is expected to make use of the A23 and local roads. Furthermore, the sometimes troublesome traffic congestion which has arisen at the old arrivals and departures area has now eased with the introduction of the new parking and drop-off and pick-up areas on the east side of the railway line.

The British Airports Authority has participated with county councils in funding a study of traffic in and around Gatwick up to 1986, which concluded that there will be a large reduction of airport-associated traffic on the local road system, with the levels in 1986 expected to be lower in many cases than those in 1971.

Complex

The M23 will give an advantage to passengers travelling by car from the south-east of London and from the east, particularly by means of the Dartford tunnel. On the link road from the M23 to the A23 a roundabout has been constructed to give direct access to the Authority's land to the east of the railway line. A comprehensive development has been built, providing public car parking, both surface and multi-storey, staff car parking and pedestrian access across the railway directly into the terminal complex. In addition, bus parking areas and a transport service from the long-term parking area has also been provided.

The airport's internal road network is also continually being expanded and improved to cater for new developments and changing circumstances. The perimeter road system is being extended to the north and south and will connect with the A23-M23 link road roundabout. Under the Airports Authority Act the authority is empowered to act as the highway authority in respect of roads on the airport, with all improvements and maintenance financed by the authority.

It is clear that during the coming years, with an increasing amount of scheduled flights using the airport, the question of comparative times between London-Heathrow and London-Gatwick will come into consideration, although this will admittedly be complementary in some respects as regards interlining between the two.

Nevertheless, comparisons will clearly be drawn between the new Heathrow underground line and the BR service to Gatwick, which it seems will have certain advantages depending on the area of London which passengers are destined for or from. But any element of competition which may arise is clearly good for the passengers and indeed is likely to be of benefit to airline service as a whole.

Lorne Barling

GATWICK AIRPORT V

Attractions for airlines

LONG-TERM expansion for Gatwick Airport iges it becoming a second "hub" airport for London he South-East of England . Heathrow. This expan- however, is likely to come 7, despite the BAA's desire e it generated as quickly ssible so as to ensure the num utilisation of the tment in the airport.

present, Gatwick handles 800 scheduled aircraft- ments a week, and it is ple to fly from the airport bout 49 foreign destina- At present, 11 scheduled es operate from the air- including British onian Airways, British ays, British Airtours, h Island Airways, British nd, Dan-Air Services and Airways. In addition, are several foreign-based uled operators, such as Alsace, Air Champagne ne, Air Paris and Air line. Gatwick is also a ar base of operations for of the U.K.'s major cargo tors, such as Tradewinds. rds of 30 other British foreign operators use the rt regularly for charter s or freight operations to different parts of the l. Figures prepared by the show that British airlines, ver, account for around 80 ent. of all the operations atwick, with European air- accounting for about 10 ent. and airlines from the of the world the remaining er cent. Many of the air- British and foreign, at the rt, are handled by Gatwick ling, a company which is y owned by Dan-Air and r, while British Caledonian British Airtours, in addition ooking after their own ngers, also handle the of several other opera-

all the airlines operating of Gatwick, British Caledo- Airways, the U.K.'s ond force" international airline, is the biggest. In 1974-75 financial year, the ne handled over 1.6m. ngers at Gatwick, or about per cent. of all passengers ng through the airport, on 28,559 flights, or about per cent. of total move- s at Gatwick. BCAL's luled operations accounted nearly 24,000 aircraft move- s, or 62.2 per cent. of total luled movements at Gat- while its scheduled nger total of over 1.22m. esented more than 83 per of Gatwick scheduled ic. The airline, with a fleet 4 jets, has nearly 5,000 employees, and serves 23 countries and 35 cities with scheduled services. Its cargo operations are also substantial, accounting for nearly 31,000 tonnes in 1974-75, or about 52.9 per cent. of all Gatwick Airport cargo.

Dan-Air has the second largest airline operation at Gatwick, with a total of 1.3m. passengers handled there in 1974—although its overall total passenger operations at all the airports it uses, including also Manchester, Leeds, Newcastle, Tees-side, Bournemouth and Cardiff in the U.K., amounted to over 2.14m. The airline, which has a fleet of 46 aircraft, including two 707s, five 727s, 19 Comets and 12 One-Elevens, is expanding its activities this year. Already, the number of scheduled service passengers handled at Gatwick up to September, at 78,000, has substantially exceeded the figure of 44,335 for the whole of last year, while charter traffic is also up.

Charter

The third largest airline operating out of Gatwick is Laker Airways, which is in effect a group of companies covering both the long- and short-haul passenger charter business. Collectively, the Laker group carried just over 800,000 passengers in 1974, and the forecast for the current year is just under 1.16m. Turnover in the 1974-75 financial year was more than £20.3m, with a profit of over £225,000. Currently, the Laker Airways fleet stands at five One-Elevens, two Boeing 707s and three McDonnell Douglas DC-10 wide-bodies.

One of the BAA's—and ultimately the Government's—major problems is going to be how to encourage other airlines to move all or part of their operations to Gatwick. It is clear that if all the present airlines there were to double their traffic, they would still not approach the airport's planned capacity of 16m. passengers a year by the 1980s, and in any event, this is not strictly what the expansion of Gatwick is all about.

Primarily, the purpose of Gatwick in future will be to take much of the strain off Heathrow, as the latter becomes saturated with traffic. To do this, it will be necessary for a number of the current operators at Heathrow to move to Gatwick. Persuading them to change will not be easy. Many of them like Heathrow because it is a big "hub" airport in its own right, with excellent connections for most of the 50-plus airlines who use it, so that what in airline terms is called "inter-lining"—the capacity of an airport to offer swift and convenient interchanges for passengers coming from overseas—provides a substantial proportion of Heathrow's business. Gatwick, even allowing for the expansion of the existing airlines' scheduled networks, does not yet have anything like the same facilities to offer, and so to some extent has to rely upon inter-line facilities at Heathrow, with passengers being shuttled between the two airports by road. An air service, began some time ago, was not an economic success, and was ended, although there is now some consideration being given by British Airways to the possibility of an inter-airport helicopter service. Also, many of the foreign airlines have spent considerable sums at Heathrow, and do not want to either lose that investment, or duplicate it, by transferring to Gatwick.

The BAA's view, however—shared by many aviation analysts—is that as the pressure on Heathrow builds up, Gatwick may become something of an "escape hatch" for U.K. and foreign airlines, providing more modern facilities, and space in which to move and work.

Indeed, it is already apparent that the attractions of Gatwick are percolating through to airlines at Heathrow. Increasingly, Mr. John Mulkern, the Gatwick Airport Director, is being visited by British and foreign airline executives who often express amazement at the extent of what is happening at Gatwick—an airport that they thought they knew well. British Airways itself, which apart from its Airtours operation, has only a limited volume of Channel Island scheduled services there, is now thinking of expanding its activities at Gatwick. The BAA has made it clear that it does not intend to allow the development of a fourth major passenger terminal at Heathrow, while Gatwick itself remains under-utilised.

There is no question, however, of "forcing" any airline to move from Heathrow to Gatwick. To attempt such a manoeuvre would be to invite retaliatory action against British airlines overseas. The emphasis is on persuasion, and much consideration is now being given to the style of inducements involved. One, for example, might be the adoption of some kind of differential pricing system, particularly where rentals of accommodation were concerned, and perhaps even where landing fees were involved. It could be made much cheaper to use Gatwick, for example, at a time when fees of all kinds at Heathrow were becoming prohibitive.

The advantage of encouraging other airlines to move to Gatwick is that it would have its own in-built momentum. As more scheduled services were based on the airport, so the "inter-lining" capability would increase, in turn making Gatwick more attractive to foreign operators.

Radiating

One argument that has been aired in recent years, however, is that of making Gatwick in some respects a "directional airport," in that while it could act as a "hub" with short-haul services radiating in all directions, both to home and foreign destinations, it could also be given a specific part of the world as an overall international long-haul target. The idea is similar to that employed to-day by the railway network, whereby a passenger goes to a specific terminus, such as King's Cross, for a journey to a specific destination, such as in the North of England or Scotland.

One suggestion made, for example, is that because BCAL itself, the biggest single operator at Gatwick, already has West Africa and Eastern South America as its broad areas of long-haul scheduled service activity, other airlines serving those parts might also be conveniently located at Gatwick. In that way, Gatwick could become the "directional airport" for flights to Africa and South America, leaving Heathrow to provide the long-haul services to North America, the Middle and Far East. Both airports would continue to have an abundance of short-haul European flights, providing the necessary onward connections for long-haul passengers. This kind of policy might fit in well with Trade Secretary Peter Shore's current attempts to introduce a "spheres of influence" policy in the airlines, between British Airways and BCAL. Almost inevitably, if such a policy comes to pass, with BA as the prime operator at Heathrow and BCAL the major operator at Gatwick, some such "directionality" in the two airports' roles is bound to develop.

It does seem clear, however, that in the period immediately ahead, the BAA and the airlines, are going to have to devote a substantial amount of time to this problem of encouraging other operators to move to Gatwick.

Another significant question that the BAA and the Government will have to face at Gatwick, however, is the future of "general aviation"—that broad area of aviation that lies outside the scheduled public transport airline operations, and which in particular includes the use of light jet, turbo-prop or piston aircraft for business executive transport.

The BAA, earlier this summer, announced a long-term plan for a ban on nearly all general aviation traffic using both Heathrow and Gatwick, with the result that the business aircraft users are now faced with the need eventually to find another home in the London area upon which to base their operations—and this, moreover, after the BAA has hitherto encouraged business aircraft to use Gatwick, and has provided there what is regarded as the best business aviation terminal in the South of England, if not in the country.

A policy paper published by the BAA outlined the problem as being one of total runway capacity at both Heathrow and Gatwick becoming so congested with normal scheduled airline traffic that there will be no room for business aircraft. It is accordingly proposed that, from an agreed date, general aviation will be given permission to use Heathrow only if there is capacity which the scheduled airlines cannot use. But it is expected that, by 1980, scheduled airline movements will effectively require all the total runway capacity at Heathrow, from which date general aviation will be banned from the airport. Similarly, the comparable date at Gatwick will occur about 1985, if current expansion plans are maintained.

Even before then, however, there will be severe restrictions on business aircraft movements at both airports at certain times, due to shortage of apron space. The BAA has said that there will be no restrictions at Stansted, however, and that it will give every encouragement to the business aircraft community to move to that airport—where, it is argued, the M11 motorway helps to improve access to the airport.

Michael Donne

Growth centre for cargo traffic

OF the most significant lopments at Gatwick over nt years has been the th in cargo traffic. Figures d by the BAA show that 1965-66, the total volume eight moving through Gat- has risen from about 0 tonnes a year to about 0 tonnes in 1974-75, of h freight carried in the s of scheduled passenger aft accounted for about 0 tons and "charter ght"—that is, freight car- on charter aircraft— unting to about 37,000 es, with no real limits seen rther expansion. The cur- long-term forecast by the is that cargo could reach tal of 125,000 tonnes a year bout 1982, with further sub- tial growth possible beyond

atwick is thus likely to me one of the busiest rts" in the country, both in s of the value of goods ed and of total tonnage, and already the second busiest o airport in the country r Heathrow. As a result of expansion, the existing o facilities on the airport e become increasingly con- ed, with no potential for ansion on the existing site.

he BAA, therefore, has uded a substantial cargo ansion plan in its overall ort modernisation scheme, work on this is now under- . Towards the end of Sep- ber, the BAA announced t it had let a £1.8m. contract Marples Ridgway (Building) the first stage of the new cargo handling area inside airport perimeter, north of runway.

his area, which the BAA s the official Gatwick argo Village," will be within airport perimeter, and will e full Customs Bond facili- .

he first stage includes four nsit sheds, giving nearly ee times the working area presently available, together with the necessary forecourts and roads. The first and largest shed, which is being taken over by British Caledonian Airways, is scheduled for operation in October, next year, with the others coming into use by the spring of 1977.

A second contract is to be let in December, this year, for associated services, car parks and an office block, to be available early in 1977. A third contract, to be let in the spring of 1977, will provide apron, taxiways and a bonded agent's facility, to be completed by the spring of 1978.

Expansion

When completed, this cargo complex will have cost in all about £6m. and will provide about 115,000 square feet of fully bonded shed space, with a capacity of up to 150,000 metric tonnes of cargo a year. Further expansion to a possible maximum total capacity of 250,000 tonnes a year could come later, depending upon the growth of cargo traffic.

The new area, which will have its own new direct internal airport road, connecting with the A23 and M23 highways, is basically intended to replace entirely the existing overloaded facilities, but while it is being built there will be a dual operation for some time, the existing facilities probably not being finally phased out until about 1978.

One of the significant features of this new cargo area is that, together with its aprons and taxiways, it spills into the area that might otherwise be used for a second runway at the airport. This is probably the most conclusive evidence available that the BAA is not planning a second runway, and indeed is pre-empting its own ability to construct such a runway at any time in the future.

This new official bonded on-airport cargo village is not to be confused with the private, unbonded development to the south of the airport, outside the perimeter on the site of the former Lowfield Heath village. This is being provided by the private developer, John Matthews (Properties), with Druce and Company, the London-based estate agents, as the sole letting agents. All of the warehousing space built so far in this development has been let already to airlines and freight forwarders on the airport, indicating the strength of demand for additional cargo facilities at Gatwick. Further buildings are planned at the Lowfield Heath site by John Matthews (Properties), and on the basis of conversations with airlines and forwarders it is considered certain that it will be quickly taken up.

Mr. Derek Harris, the Southern area industrial manager for Druce and Company, says that "all airline operators are complaining that they are bulging at the seams, and agree that additional warehouses are necessary at Gatwick." The Lowfield Heath development will cost initially some £3m., and provide about 15 acres of land for warehouses, an office block and car park. Among clients who have already taken space are British Caledonian. Mr. Harris is convinced that the expansion of Gatwick will bring industrial expansion for nearby Crawley also. "My firm has clients wanting to come to Crawley. There is a long list of industrial concerns, both local, national and international, wanting to come to Crawley. Crawley was once considered out in the sticks, but nowadays it is becoming a central point for industry, being near to an international airport, to London and to seaports."

Michael Donne

STOCK EXCHANGE REPORT

Gilts make progress, but equities run out of steam

Share index down 1.9 at 367.4 — Lucas Inds. feature

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 20	Oct. 30	Oct. 31	Nov. 11
Nov. 3	Nov. 13	Nov. 14	Nov. 25
Nov. 17	Nov. 27	Nov. 28	Dec. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets continued in a lively fashion as the second-leg of the Account got underway yesterday. *In contrast to last week, it was the turn of Gilts to make the running.* Encouraged by last Friday's *late news of the International Monetary Fund loan and by talk of a possible reduction in Minimum Lending Rate, interest revived in this sector which closed with gains ranging to ½. The Government Securities index rose* 0.26 to 58.51.

Leading Industrials, however, *ran out of steam, after making fresh early progress.* Up 1.7 at its best of the day at 1 p.m., the FT 30-share index closed 1.9 down on balance at 367.4. Nevertheless, there was some useful selective support before light profit-taking softened prices. Against the trend, Lucas Industries featured with a rise of 7 at 155p on the better-than-expected results. On the other hand, EMI declined 11 to 219p on fears of competition to its new X-ray scanning equipment.

Second-line equities continued to claim a fair amount of interest. *Week-end Press mention met with a ready response, while a fair amount of speculative demand was also in evidence. Rises led falls by* 5—3 in FT-quoted Industrials. Official markings of 7,837 compared with 8,377 last Friday and 6,552 a week ago.

Gilts strengthen

British Funds quickly resumed Friday's late upward tendency and early business was quite brisk. The exhaustion of the special short "tap" Treasury 9 per cent., 1978, "B," gave further impetus to the movement along with two developments at the medium and longer end of the market. The Government broker twice raised his price for supplies of the short-medium "tap," Treasury 11½ per cent., 1981, and reactivated the long "tap," Treasury 12¾ per cent., 1992, at 92¾. Interest faded in front of the possible announcement of a replacement short issue at 3.30 p.m. but improved again late leaving gains extending to ½ among both low-coupon shorts and high-coupon longs. Speculation of a fall in Minimum Lending Rate this week was no more than a background influence.

Rates in the investment currency market hardened throughout a small business and the close was a point higher at 105¾ per cent. Yesterday's SE conversion was 0.6127 (0.6099).

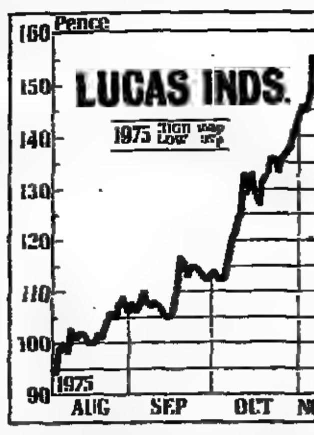
Banks drift down

The big four Banks again failed *to attract much business and, after trying to go better first thing, drifted lower towards the close to finish with minor losses.* Midland ended 3 down at 295p, after 300p. Bank of Scotland, however, *resisted the trend and firmed* 8 to 290p. Favourable week-end Press comment helped Grindlays harden 3 *to* 40p. *Guinness Peat remained popular in Merchant banks, rising another 5 to 180p, while in front of their respective interim figures to-day and to-morrow,* Minster Assets edged forward a penny to 31p as did Hill Samuel to 114p, after 115p. Slater Walker were highly sensitive and cheapened a penny to 27p, while Luhok Investments receded 1½ to 15p, after 14½p, and the 12 per cent. Convertible lost 4 points to £80.

Insurances finished easier throughout after a reasonable turnover. *Conflicting views in the week-end Press about a "rights" issue unsettled General Accident,* which shaded 4 *to* 159p.

Breweries softened in the late trade to close slightly easier for choice. After touching a 1975 high of 138p, Arthur Guinness reacted to close a net penny off at 136p. Elsewhere, Distillers ended 2½ cheaper at 123½p, but H. P. Bulmer were *marked up* ½ to 81p following favourable Press comment.

Buildings had a number of firm spots. Royco hardened 2 to 26½p with the help of Press comment, *while small buying in thin markets* left International Paint, 9 up at 212p, H. and R. Johnson-Richards Tiles, 11 better at 151p, and Anglo-American Asphalt, 15 higher at 135p. G. W. Sparrow were marked up 18 to 150p. Mears Bros. finished a penny better at 22p after the chairman's statement. AP Cement however, declined 5 to 192p.



ICI, in active trading, closed 4 better at 305p, after 306p, following a week-end Press mention. Other Chemicals were quietly firm. Laporte firmed 2 to 67p following news that Solvay had increased their shareholding, while small buying raised *Enalon Plastics* 4 to a 1975 peak of 52p.

Westward TV "A" finished a penny better at 14p after the preliminary figures.

EMI retreat

Press comment outlining the *prospect for tough competition to* the company's new revolutionary X-ray scanner unsettled EMI: after *retreating to 221p, the shares* picked up to 226p only *to fall later to 219p for a loss of 11 on* the day. Business subsided in other leading Electricals, which reacted from a firmer start to close moderately easier on balance. GEC were finally 3 down at 139p, after 143p, and Plessey 2 off at 73p. Elsewhere, Henry Wigfall moved into prominence with an advance of 20 to 170p, reflecting speculative support in a thin market.

Store leaders fluctuated narrowly and closed little altered. Marks and Spencer ended unchanged at 105p, after 107p, but Debenhams lost 2 to 83p and the New nil-paid hardened ½ to 30½p premium. F. W. Woolworth, at 67p, gave up a penny of Friday's Press inspired rise of 2½. Among secondary issues, Amber Day responded to Press mention with a jump of 8 to 50p. Awaiting to-day's interim figures, Acquascutum hardened 3 to 26p. Rises of 4 were scored by Thomas Marshall Investments, 32p, and Waring and Gillow, 73p, while the chairman's remarks at the *annual meeting helped* Ramar Textiles to move up 1½ to 7p. Audiotronics, however, finished a *penny cheaper at 41p following* adverse Press comment.

Leading Engineerings rescinded early gains to close a shade lower, but secondary issues showed widespread improvements. Further encouraged by the good start to current year trading, Adwest rose 10 to 130p, while newspaper mention lifted Birmid Qualcast 4 to 63p and Woodhouse Rixson 2 to 21p. Speculation of a pending bonus "rights" issue announcement took Fairey up 3 further to 73p, while news items raised Newman Granger 3 to 19p and Concentric a like amount to 27p. Acrow's interim effort was a shade disappointing and the "A" reacted *from 114p to 108p before closing* unaltered on balance at 111p. Tex Abrasives rose 4 to 33p, but *Rotork fell 6 to 117p.* News of the increased conversion terms raised Johnson and Firth Brown 9½ per cent. *Convertible 3 points to £87.*

In Shipbuildings, Vosper picked up 1½ *to 65p on talk of a new* order. Hawthorn Leslie closed 2½ better at 55½p.

Foods generally closed firmer for choice. Tate and Lyle picked up 3 more at 254p, while Northern Foods, 76p, and Clover Dairies, 77p, put on 4 apiece. J. Bibby were supported up to 75p, a rise of 6. Bejam closed 2 firmer at 127p after the chairman's statement at the annual meeting, while other bright *spots* included Rowntree Mackintosh, 3 better at 195p, and Morgan Edwards, 5 higher at 57p.

Interest in Supermarkets was concentrated on Tesco, which closed a fraction harder at 52½p following a good turnover: the interim figures were announced November 27 last year. Kwik Save Discount improved 6 to a 1975 peak of 264p.

Press comment directed attention to J. Lyons "A," which improved to 153p before reacting *to close unchanged on the day* at 148p.

Lloyds/Holt merger

Miscellaneous Industrial leaders, after gaining a little more ground at the start, eased late on profit-taking to finish with small losses on the day. Beecham, however, managed to end 3 up at 320p, after 323p, ahead of interim figures due next week. Boots, with half-time results expected on Thursday, closed 3 down at 140p. Glaxo were finally 2 off at 340p, after 348p. *Elsewhere, news of the proposed merger left* Lloyds Industries, 58p, after 59p, and Holt *Products, 37p, after 39p,* both with net rises of 3. Favourable Press comment stimulated interest in *Electrical and Industrial* Securities, up 7 at 41½p while, for the same reason, Inter-City improved 2 to 11p, and 3 gains in Panls and Whites, 73p, and Cowan de Groot, 35p. Press mention ahead of Thursday's results raised Smiths Industries 6 to a peak for the year of 134p. G.R. (Holdings) moved ahead 15 to 210p, benefiting from the increased profits, while Hoover "A," 9 up at 317p, more than recovered last Friday's loss of 7 which reflected adverse Press comment on the third-quarter results. Gripperrods rose 7 to 66p on *fresh* speculative buying in a thin market, while similar gains occurred in AAH, 157p, and Avon Rubber, 53p.

Lucas Industries featured *Motors and Distributors, closing* 7 better at 155p, after 160p, on the much-better-than expected *preliminary figures.* Dowty continued firmly, rising 3 more to 141p, while similar gains were achieved by Kwik-Fit, 28p, and ERF, 37p. British Leyland contrasted with a fall of 4 to 32p, sentiment being unsettled by concern over the future of the company's Italian subsidiary. In Garages, Nelson David hardened a penny to 5½p on further consideration of the interim statement.

Thomson benefited from published *North Sea evaluations* and gained 6 more to 221p, but other Newspapers were generally quiet; United picked up 4 further to 232p. Marshall Morgan featured Publishers with a rise of 14 to 91p *on the offer by Pentos to* acquire the shares not already owned. In Paper/Printings, *newspaper mention took Inveresk up* 1½ to 64½p. Usher Walker gained 3 more to 45p, still being in*fluenced by the first-half profits* rise.

A good market of late on the "rights" offer and dividend and profits forecast, S. and W. Berisford continued to meet buying attention and rose 7 more to a peak for the year of 241p. Elsewhere in Overseas Traders, Paterson *Zochonis improved* 20 to 480p on the full report. In contrast, Lonrho reacted 4 to 107p.

A late about-turn in Oils left most prices lower on the day. *Shell rose to 388p initially,* but closed marginally cheaper at 382p. British Petroleum ended 2 off at 385p, *after 390p, and* Burmah were similarly easier at 34p. The dry North Sea well took a further toll on Ball and Collins, which fell 25 more to 55p, while the associated Premier slipped to 8½p before finishing a net 1 down at 9p. North Sea evaluations failed to sustain Tricentrol, 3 lower at 42p, while Siebens (U.K.) in the overseas section, lost 40 to 500p.

There was little activity in leading Properties, which generally closed a shade easier. English shed 1½ to 44p and Land Securities a penny to 170p, but MEPC, 60p, recouped an initial loss of 2. Secondary issues displayed mainly small irregular movements, although Compco were notable for an improvement of 5 to 55p on the annual results. Favourable Press comment prompted small buying in Argyle Securities 11 per cent. Partly Convertible Loan, which rose 6 points to £61 in a thin market; the Ordinary were just a fraction firmer at 44p. New London Properties moved up 7 to 245p following publication of the formal documents for the agreed 250p cash offer from Pearl Assurance, while Allied London Properties responded to preliminary figures with a gain of 2 at 35p.

Buyers came for River and Mercantile which put on 6 to 147p in Trusts. Rothschild gained 7 to 313p on the interim dividend. Encouraged by the current increase in stock market activity, stockjobbers Akroyd and Smithers, 184p, and Smith Bros., 33p, rose 7 and 3 respectively to new 1975 peaks. *Fourth City and* Commercial, however, shed 5 to 38p on the poor results and London *United Investments* receded a similar amount to 57p, after 58p, in sympathy with the recent fall *in its associated concern* Ball and Collins.

Textiles displayed several firm *features. Favourable* week-end Press comment directed attention to Slimma, up 7 at 40p, while a *re-assessment* of the results helped Lister rise 6 to 38p. In a thin market, John Haggas rose 5 *to* 280p, while buying in front of to-day's results left Tricoville 3 better at 24p.

Up 35 last Friday, Consolidated Tea and Lands *rose* 20 more to 410p, after 380p, still on hopes of *early news about the reorganisation discussions taking place* between McLeod Russel (10 better at 150p) and James Finlay (unaltered at 136p). Others to rise smartly in sympathy included Cessnock, 30 *up at 240p, while* Teith, 343p, and West Nile, 305p, both rose 10. Favourable Press *comment in front of to-day's preliminary results* left Jokai 3 better at 120p, while excellent results left Assam Frontier 6 to the good at 100p. In quietly firm Rubbers, Guthrie edged forward 3 to 168p. Gadek were similarly better at 54p on news of the reconstruction proposals and agreement with a Malaysian concern—Batu Kawan Berhad.

Golds lower

Gold shares were unsettled by anticipation of a further auction of Gold shortly by the U.S. Treasury and the subsequent easing in the bullion price which closed at $144½.

Business was minimal, little interest being shown by Continental and U.S. sources; Continental exchanges are closed to-day for Armistice Day. The Gold Mines index gave up 5.5 at 265.5.

Among the heavy-weight issues Randfontein lost ¾ at £18¾ and falls of ½ were seen in Buffels (£15), Western Deep (£16½) and Free State Geduld (£22¼). In lower priced stocks, Deelkraal retreated 16 at 236p and Loraine fell 12 at 200.

Financials mirrored the fall in Golds. "Amgold" gave up ¼ at £22 and Anglo-Vaal fell ¼ at £... Anglo American recovered most of an earlier loss of 5 and closed 1 easier at 384p. Reflecting the lower trend in U.K. Industrials, Gold Fields (212p) and Charter Consolidated (174p) both fell... *On the other hand,* Selection Trust hardened to 512p and Cape buying left Middle Wits, 10 better at 390p.

Platinums were neglected with Potgietersrust falling 2 at 178p. Coppers, Cape interest was reported in Messina which rose ... to 295p.

Australians were mixed. Uraniums, Pancontinental moved against the overnight trend in Sydney and Melbourne, closing down at 715p after briefly touching an all-time peak of 7... Ocean Resources eased 2 at ... On the other hand, Peko-Wallsend gained 10 at 440p.

In quiet Tins, Southern Kinta added 2 at 102p but Gopeng Consolidated lost 3 at 187p.

Elsewhere, Canadian influences left Laurnsia 7 higher at 43p and Sabina slightly harder at 86p after 92½p. Following news of current antimony exploration activities, Consolidated Murchison rose 30 to equal a previous high for the year of 780p.

FINANCIAL TIMES STOCK INDICES

	Nov. 10	Nov. 7	Nov. 6	Nov. 5	Nov. 4	Nov. 3	A year ago
Government Secs.	58.51	58.25	58.24	58.05	58.28	58.37	52.72
Fixed Interest	59.12	59.00	58.86	58.77	58.97	58.93	59.49
Industrial Ordinary	367.4	369.3	366.0	360.8	358.9	350.5	194.2
Gold Mines	265.5	271.0	273.9	266.7	263.2	263.8	399.4
Ord. Div. Yld. %	5.79	5.76	5.80	5.89	5.91	6.05	10.36
Earnings Yld. % (full) (a)	15.96	15.90	16.05	16.26	16.31	16.71	27.82
P/E Ratio (net) (b)	8.92	8.95	8.88	8.76	8.73	8.52	5.02
Dealings marked	7,837	8,377	8,656	8,159	6,812	6,552	7,017
Equity turnover £m	—	94.29	114.23	80.23	64.00	47.92	80.85
Equity bargains total	—	20,062	19,534	17,933	15,393	14,171	23,756

10 a.m. 369.3. 11 a.m. 369.3. Noon 370.6. 1 p.m. 371.0. 2 p.m. 371.0. 3 p.m. 369.4.
Latest Index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.86.
Basis 100 Govt. Secs. 15.1.26. Fixed Int. 1928. Ind. Ord. 1.7.35. Gold Mines 12.9.55. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/5)	49.16 (6/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/5)	50.53 (6/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	369.3 (7/11)	146.0 (6/1)	543.6 (14/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/2)	231.6 (6/10)	442.3 (22/2/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 10	Nov. 7
Daily—		
Gilt-Edged	182.2	154.5
Industrials	290.9	318.0
Speculative	54.7	62.8
Totals	178.4	190.7
5-day Average		
Gilt-Edged	188.4	[illegible]
Industrials	292.0	[illegible]
Speculative	61.3	61.6
Totals	181.5	178.4

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.) — Monday, Nov. 10, 1975

	Group	Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Friday Nov. 7 Index No.
1	CAPITAL GOODS (179)	138.38	-0.5	16.61	5.97	9.05	9.05	137.69
2	Building Materials (30)	132.91	-0.6	13.45	6.19	11.36	11.35	132.14
3	Contracting, Construction (23)	253.67	-0.4	14.76	3.70	10.19	10.19	252.75
4	Electricals (17)	245.51	-0.8	16.66	4.75	8.79	8.79	245.59
5	Engineering (Heavy) (13)	158.91	-0.4	20.54	7.47	7.42	7.42	159.52
6	Engineering (General) (83)	119.00	-0.4	18.37	7.05	8.14	8.14	118.52
7	Machine and Other Tools (9)	46.08	-1.7	17.69	9.11	10.10	10.10	45.29
8	Miscellaneous (24)	117.83	+0.4	18.15	6.72	8.21	8.21	117.21
9	CONSUMER GOODS (DURABLE) (56)	115.53	+1.8	15.97	5.56	8.64	8.65	113.35
10	Electronics, Radio TV etc. (15)	131.94	+1.5	14.35	4.06	10.44	10.42	130.23
11	Household Goods (14)	165.65	+1.1	14.96	6.52	9.60	9.77	165.79
12	Motors and Distributors (27)	65.19	+2.8	17.00	7.14	8.49	8.49	63.39
13	CONSUMER GOODS (NON-DURABLE) (168)	150.80	+0.1	13.44	5.70	10.79	10.72	150.61
14	Breweries (15)	170.56	-0.8	11.98	6.02	12.65	12.63	171.98
15	Wines and Spirits (7)	154.05	-1.7	12.41	5.55	12.24	12.24	156.75
16	Entertainment, Catering (16)	179.37	-0.5	11.63	6.69	13.46	12.81	180.19
17	Food Manufacturing (22)	165.66	+0.1	12.95	4.93	10.64	10.60	165.47
18	Food Retailing (16)	155.88	+0.6	9.93	4.24	14.62	14.62	156.00
19	Newspapers, Publishing (15)	157.98	-1.6	13.57	6.40	11.26	11.26	155.69
20	Packaging and Paper (13)	100.48	+0.9	22.15	7.34	6.72	6.73	99.51
21	Stores (32)	130.11	+0.2	11.42	5.16	13.40	13.40	129.87
22	Textiles (23)	160.65	+0.8	20.65	6.66	5.77	5.62	159.34
23	Tobacco (3)	207.23	+0.7	16.35	6.50	8.30	8.30	205.76
24	Toys and Games (6)	62.96	-0.5	21.68	6.31	6.41	6.41	62.58
	OTHER GROUPS (93)							
25	Chemicals (24)	185.68	-0.8	14.98	5.17	9.36	9.35	184.75
26	Office Equipment (10)	90.87	+2.1	14.67	5.75	9.56	9.56	88.98
27	Shipping (12)	389.65	+1.0	19.82	6.20	6.48	6.25	385.91
28	Miscellaneous (47)	156.12	-0.5	15.91	5.91	9.30	9.30	155.84
29	INDUSTRIAL GROUP (496)	148.42	+0.4	14.82	5.76	9.80	9.76	147.83
30	OILS (4)	533.83	-0.3	15.09	4.83	7.40	6.62	534.55
31	500 SHARE INDEX	163.81	-0.3	14.86	5.61	9.33	9.09	163.34
32	FINANCIAL GROUP (100)	138.23	-0.3	—	5.16	—	—	138.79
33	Banks (6)	168.46	-0.6	17.45	4.76	8.78	8.78	169.50
34	Discount Houses (9)	158.91	-0.3	—	7.71	—	—	159.48
35	Hire Purchase (5)	90.97	-0.2	—	5.40	—	—	98.79
36	Insurance (Life) (9)	125.25	-0.2	—	5.46	—	—	125.06
37	Insurance (Composite) (7)	119.45	-0.3	—	6.03	—	—	[illegible]
38	Insurance (Brokers) (8)	227.84	-0.5	9.16	3.84	16.34	16.34	[illegible]
39	Merchant Banks (19)	67.38	-1.0	—	5.81	—	—	[illegible]
40	Property (32)	157.66	-0.2	2.63	3.74	46.48	43.24	[illegible]
41	Miscellaneous (4)	77.46	-0.9	12.67	6.21	12.62	12.47	[illegible]
42	Investment Trusts (50)	170.25	-0.9	2.90	4.20	34.52	34.60	[illegible]
43	ALL-SHARE INDEX (650)	157.74	-0.2	—	5.44	—	—	157.41
	COMMODITY GROUPS (Not included in 500 or All-Share indices)							
44	Rubbers (9)	395.14	-2.5	14.39	8.48	10.06	9.98	[illegible]
45	Teas (10)	122.85	-2.7	33.57	8.50	4.32	4.17	[illegible]
46	Coppers (3)	283.45	+0.5	69.28	17.29	1.44	1.44	[illegible]
47	Mining Finance (11)	112.09	-0.8	10.69	4.54	10.56	10.56	[illegible]
48	Tins (8)	93.63	-0.2	10.60	9.57	11.07	9.91	[illegible]
49	Overseas Traders (13)	218.35	-0.1	15.96	4.52	8.01	8.01	[illegible]

FIXED INTEREST

		Monday Nov. 10 Index No.	Yield %	Friday Nov. 7	Thurs. Nov. 6	Wed. Nov. 5	Tuesday Nov. 4	Monday Nov. 3	Friday Oct. 31	Thur. Oct. 30	Year ago (approx.)
1	Consols 2½% yield	—	14.81	14.80	14.81	14.89	14.77	14.77	14.85	14.87	16.39
2	20-yr. Govt. Stocks (6)	46.77	13.87	46.54	46.58	46.40	46.67	46.81	46.59	46.66	42.93
3	20-yr. Red. Deb & Loans (15)	45.74	16.07	45.73	45.97	45.76	45.86	45.79	45.77	45.78	38.91
4	Investment Trusts Prefs. (15)	47.28	14.63	47.28	47.28	47.18	47.00	46.96	47.21	46.72	36.53
5	Coml. and Indl. Prefs. (20)	64.17	14.72	63.88	63.85	63.81	64.68	64.74	65.66	65.32	51.99

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	18	303	+4	306	118
Courtaulds	25p	11	130	—	133	33
Debenhams 'New'	Nil/pd.	10	30½*	+½	31½*	24*
Lucas Inds.	£1	10	155	+7	160	37
Barclays Bank	£1	9	310	-2	325	112
BP	£1	9	385	-2	398	190
EMI	50p	9	219	-11	233	62
Elec. & Ind. Secs.	25p	9	41½	+7	41½	13
Shell Transport	25p	9	382	-1	386	118
Beecham	25p	8	320	+3	328	116
Birmid Qualcast	25p	8	63	+4	63	16½
Boots	25p	8	140	-3	143	45½
Bowater	£1	8	174	-2	179	50
GEC	25p	8	139	-3	142	31
Unilever	25p	8	416	—	418	170

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 11	Nov. 24	Feb. 5	Feb. 17
Nov. 25	Dec. 8	Feb. 19	Mar. 2
Dec. 9	Dec. 22	Mar. 4	Mar. 16

"Calls" were dealt in National Westminster Bank Warrants, Hill Samuel Warrants, MEPC, Premier Oil, Lonrho, Stone Platt, Cowan de Groot, Robb Caledon, Shell Transport, Marks and Spencer, Glynwood, British Car Auction, Dunlop, Woodhouse Rixson, Aaronson Brothers, Rothmans International, Burmah Oil, Thomas Tilling, LRC and Marryat. No "puts" were reported, while "doubles were aranged in MEPC, Premier Oil, Glynwed, Dunlop, National Westminster Bank Warrants, and Marks and Spencer.

Industrials						Mines	
A. P. Cement	15	Grand Met.	7	Slater Walker	9	Anglo Amer.	80
Assoc. Leisure	5	G.U.S. 'A'	17	Spillers	5	BrokenHill Prp.	75
Barclays Bank	25	Guardian	20	Tesco	6	Charter Cons.	22
Beecham	28	G.K.N.	22	Thorn "A"	17	Chart'rh'll Fin.	10
Boots Drug	12	Hawker Sidd.	27	Tube Invest.	24	Cons Gold	22
Bowater	16	House of Fraser	8	Unilever	35	De Beers Def.	35
B.A.T.	30	Hudson Wlmsn	4	Utd. Drapery	10	F.S. Geduld	350
British Leyland	7	I.C.I.	21	Vickers	15	Great Boulder	[illegible]
BOC Int.	5½	"Imps"	7	Woolworths	6	Hampton Areas	15
Burton 'A'	9	I.C.L.	7	Property		Hampton Prop.	4
Cadburys	6	Inveresk	7	Cap. Counties	4½	Kloof	140
Courtaulds	12	Legal & General	13	E.P.	8	Lonrho	13
Debenhams	8	Lloyds Bank	22	Int. Europe	6	Loraine	55
Distillers	13	"Lofs."	6	Land Securities	16	Metals Explor.	8
Dunlop	5½	"Mams"	6	Peachey	6	Poseidon	55
Eagle Star	14	Marks & Spencer	11	Town & City	4½	Pres. Steyn	275
E.M.I.	17	Midland Bank	25	Town & Comm.	4	Rio T. Zinc	30
First National	2	Nat'l West. Bank	[illegible]	Oils		Welkom	55
G.R.A. Trust	4	P & O Dfd.	10	Brit. Petroleum	45	West Areas	75
Gen. Accident	16	Plessey	5	Burmah Oil	5	Western Wng.	18
Gen. Electric	13	R.H.M.	6	Shell	30	Zambian Copp.	10
Glaxo	40	Rank Org. 'A'	17	Ultramar	21		
		Reed Int'l	23				

NEW HIGHS AND LOWS FOR 1975

Too numerous to name individually the 189 new 1975 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 3 new lows.

NEW HIGHS 187

BRITISH FUNDS (7)
AMERICANS (1)
BANKS (5)
BEERS (3)
BUILDINGS (22)
CHEMICALS (3)
CINEMAS (3)
DRAPERY AND STORES (11)
ELECTRICALS (8)
ENGINEERING (29)
FOODS (7)
HOTELS (1)
INDUSTRIALS (35)
INSURANCE (1)
MOTORS (16)
NEWSPAPERS (5)
PAPER AND PRINTING (4)
SHIPPING (1)
SHOES (2)
TEXTILES (8)
TRUSTS (9)
OVERSEAS TRADERS (3)
TEAS (3)
MINES (1)

NEW LOWS 3

AMERICANS (1)
Chrysler
INDUSTRIALS (1)
Miller (G. M.)
OILS (1)
Ball and Collins

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	50	2	4
Corpns., Dom. and Foreign Bonds	11	—	60
Industrials	519	210	1,003
Financial and Prop.	147	68	385
Oils	4	12	27
Plantation	16	3	28
Mines	15	61	77
Recent Issues	12	6	29
Totals	774	352	1,593

BASE LENDING RATES

AFI International	11
Allied Irish Banks Ltd.	11
Anglo-Portuguese Bank	11½
Henry Ansbacher	11½
Banco de Bilbao	11
Banco de Jerez	11½
Bank of Cyprus	11
Bank of N.S.W.	11
Banque du Rhone S.A.	11½
Barclays Bank	11
Barnett, Christie Ltd.	12
Bremar Holdings Ltd.	12
Brit. Bank of Mid. East	11
■ *Brown Shipley*	11½
Cayzer, Bowater Co. Ltd.	11½
Cedar Holdings	11
■ Charterhouse Japhet	11½
C. E. Coates	11½
Consolidated Credits	12
Co-operative Bank	*11
Copleys Bank	12
Corinthian Securities	11
Credit Lyonnais	11
G. R. Dawes	12
Duboff Brothers	12
Duncan Lawrie	11
English Transcont.	12
First London Secs.	11
■ Antony Gibbs	11
Goode Durrant Trust	11
Greyhound Guaranty	11
Grindlays Bank	11
■ Guinness Mahon	11
■ Hambros Bank	11
Hawtin & Partners	13
■ Hill Samuel	§11
C. Hoare & Co.	†11
Julian S. Hodge	12
Industrial Bank of Scot.	11
Keyser Ullmann	11½
Knowsley & Co. Ltd.	12½
Lloyds Bank	11
London & European	11½
London Mercantile	11½
Midland Bank	11
■ *Samuel Montagu*	11
■ Morgan Grenfell	11
National Westminster	11
Northern Comm. Trust	11½
Norwich General Trust	11½
Portman Guaranty	11
P. S. Refson & Co.	11
Rossminster Accept'cs	11
Royal Trust of Canada	12
Schlesinger Limited	11½
E. S. Schwab	12½
Security Trust Co. Ltd.	12½
Shenley Trust	12½
Standard Chartered	11
Sterling Credit	12½
Thames Guaranty	11
Trade Development Bk.	11
Twentieth Century Bk.	12½
United Bank of Kuwait	11
Whiteaway Laidlaw	11½
Williams and Glyn's	11
Yorkshire Bank	11

■ Members of the Accepting Houses Committee.
* 7-day deposits 7½%, 1-month deposits 7¾%.
† 7-day deposits on sums of £10,000 and under 7½%, up to £25,000 7¾%, and over £25,000 8¼%.
§ Demand deposits 8¼%.

MONEY MARKET

Very large assistance

Bank of England Minimum Lending Rate 12 per cent. (since October 3, 1975)

Day-to-day credit was in very short supply in the London money *market yesterday, and the authorities* gave a very large amount of assistance by buying Treasury bills and local authority bills from the discount houses.

Banks carried over run-down balances from Friday, there was a net market take-up of Treasury bills, and the monthly special deposit adjustment and settlement of official gilt-edged sales were *also against the market's favour.* On the other hand Government disbursements exceeded revenue *payments to the exchequer and* the market was also helped by a fall in the note circulation.

Discount houses paid between 11 per cent. and 11½ per cent. for secured call loans. In the interbank market overnight loans commanded 11-11½ per cent. in the early part, and touched 10¾ per cent. in places during the morning. Towards the close funds were available at around 11½ per cent.

Short-term fixed period interest rates were generally reduced. The three-month sterling certificate yield eased to 11⅞-11¹¹⁄₁₆ per cent. from 11⅞-11¾ per cent., and the *one-year sterling* certificate yield fell to 11⅝-11½ per cent., from 11¹³⁄₁₆-11⅝ per cent.

Rates in the table below are nominal in some cases.

Nov. 10 1975	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills φ	Bank bills φ	Fine trade bills φ
Overnight	—	10¾-11½	—	—	—	11½-11⅝	11-11½	—	—	—
2 days notice	—	—	11-11¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	11-11⅜	11¼-11⅜	—	—	—	11-11⅜	—	—	—
One month	11⅞-11¾	11¾-11⅞	11¼-11⅜	11½-11	11¾-12½	—	11⅛	11⅜-11⅛	11⅝	12-11¾
Two months	11⅞-11¾	11¾-11⅞	—	11½-11	11¾-12½	—	11⅛	11⅜-11⅛	11⅝	12-11¾
Three months	11⅞-11⅞	11⅞-11⅞	11½-11⅝	11½-11	11⅞-12½	—	11-11⅛	11⅜-11⅛	11⅝	12¼-11⅞
Six months	11½-11⅝	11⅝-11⅞	11⅝-11¾	11½-11	11⅞-12¾	—	—	—	11½-11⅝	12½-12⅛
Nine months	11⅝-11½	11⅞-11⅞	—	11⅞-11¾	11⅞-13	—	—	—	—	—
One year	11⅝-11½	11⅞-11⅞	12¼-12⅝	12-11½	11⅞-13	—	—	—	—	—
Two years	—	12-12¼	12⅞-13⅛	12½-12	—	—	—	—	—	—

* Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-13¼ per cent.; four years 13¾-14 per cent.; five years 14¼-14½ per cent. φ Bank bill rates in table are buying rates for prime paper, buying rates for four-month bank bills 11½ per cent.; and four-month trade bills 12½ per cent. Approximate selling rates for one-month Treasury bills 11¼ per cent.; two-month 11¼ per cent.; three-month 11⅝-11⅝ per cent. Approximate selling rates for one-month Bank bills 11⅝ per cent.; two-month 11⅝ per cent.; and three-month 11⅝ per cent.; for one-month trade bills 11½-11½ per cent.; two-month 11½ per cent.; and three-month 11⅞-11½ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from November 1. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rate for lending 11 per cent. Treasury Bills: Average tender rates of discount 11.3986 per cent.

CORAL INDEX
Close 362-367

I.G. INDEX
GOLD 143-146

INSURANCE BASE RATES

† Atlantic Assurance ... 12
Cannon Assurance ... 9½

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the shares previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

…y Inv. 20p	16	......	Craig Ship. £1	390	......	Shiloh Spinn.	23	......
…unning	37	......	Hallam Sleigh 10p	6	......	Sindall (Wm.)	50	......
…	18	......	Higsons Brew.	98	......			
…r. Est. 30p	130	......	I.O.M. Stm. £1	119	......	**IRISH**		
…Croft	35	......	Holt (Jos.) 25p	255	......			
…Rose £1	315	......	Kleen-e-Ze	17	......	Alliance Gas (£1)	67	......
…(R.A.)	30	......	Lovell's Ship £1	95	......	Carroll (P.D.)	125	......
…McHdy.	58	......	N'thn. Goldsmith	99	......	Clondalkin	51	......
…Fr'k. 10p	35	......	P.M.A.	26	......	Concrete Prods.	80	......
…	6	......	Pearce (C. H.)	60	......	Goodbody (£1)	28	......
…rge	47	......	Peel Mills	13	+1	Heiton (Hldgs.)	29	......
…Pkg. 5p	16	......	Richards 10p	12	-½	Irish Distillers	70	......
…Reed 50p	115	......	RobbCaledonsh.	32	......	Irish Wire	40	......
…r & Sons	11	......	Sayers 12½p	8	......	Jacob	65	......
…r (L.)	61	......	Sheffield Brick	64	......	Sunbeam	11	......
			Sheff. Refrshmt.	141	......	Unidare	65	......

HISTORY TODAY

Edited by Peter Quennell and Alan Hodge

The NOVEMBER issue includes:

GEORGE III AND LIFE AT WINDSOR — Olwen Hedley

GORDON AND THE SLAVE TRADE — Charles Chenevix Trench

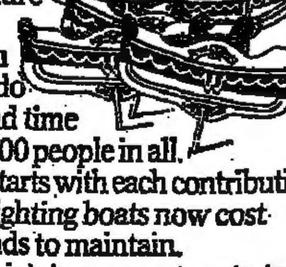
ROGER WILLIAMS OF RHODE ISLAND — Stuart D. Goulding

THE STEELYARD OF LONDON — L. W. Cowie

NOW ON SALE 40p

By post: £5.50 p.a. from Bracken House, Cannon St., London EC4

Join a rescue party



You wouldn't venture out of doors in the weathers Lifeboatmen put to sea in. Yet they do voluntarily, time and time again. Rescuing 100,000 people in all.

Mind, each rescue starts with each contribution made. *Modern, self-righting boats now cost* £90,000, and thousands to maintain.

Won't you consider joining a rescue party, too? For as little as £1.50 a year, you can join *Shoreline*, become part of our national membership, and give us the help we so urgently need on a regular basis. Remember, each rescue starts with each contribution given.

To: The Director, RNLI, West Quay Rd, Poole, Dorset BH15 1HZ.

Name

Address

I wish to help the RNLI in the following way:
I enclose subscription to join Shoreline as an Associate Member £1.50 ☐
Offshore Member £3.00 ☐
Member & Governor £10.00 ☐
I enclose my donation of £______
Please send me details of how I can help with a Legacy or Covenant. ☐

RNLI

Entirely supported by voluntary contributions.

FT3

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94¾	Exch.6½pc 1976‡‡	98	+	6.60	11.38
97¼	92	Treasury 6½pc 1976‡‡	96	+	6.75	11.54
99	97	Victory 4pc 1976‡‡	98		4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99¼xd	−	10.59	11.41
95¼	88⅞	Treasury 6¾pc 1977‡‡	94	+	6.60	10.58
94⅝	86¾	Electric 3pc '74-77	94½	−⅛	3.17	7.36
103	96⅞	Treasury 11½pc '77‡‡	100		11.42	11.03
91	84	Treasury 3pc '77‡‡	91xd	+	3.29	7.82
91	84⅛	Transport 4pc '72-77	91	+¼	4.40	8.76
96	90½	Treasury 9pc 1978‡‡	94	+	9.57	11.97
100	96	Treasury 10½pc '78‡‡	98⅞	....	10.54	11.85
87⅞	79	Exchequer 5pc '76-78‡‡	87⅝	+⅛	5.71	10.04
103	94	Treasury 11½pc '79‡‡	99	+	11.61	11.83
80⅛	71	Treasury 3pc '79‡‡	80⅛	+	3.74	9.24
82	73⅞	Electric 4½pc '74-79	82	+⅛	5.18	9.95
100	94½	Treasury 10½pc '79‡‡	95⅞	....	11.01	11.98
80¾	71	Electric 3½pc '76-79	80¾xd	+½	4.33	9.36
95	84	Treasury 9pc 1980‡‡	89	−	10.09	12.28
95	89¼	Treasury 9½pc '80‡‡	90xd	−	10.53	12.40
79⅜	68¼	Treasury 3½pc '77-80	79⅜xd	−½	4.41	9.09
84½	71	Funding 5¼pc '78-80‡‡	84¼xd	+⅛	6.23	9.57
		Five to Fifteen Years				
96¼	95½	Treasury 11½pc 1981‡‡	96¼	+⅛	12.05	12.72
76½	66⅛	Do 3½pc '79-81	76¼	+¼	4.64	9.54
91⅛	72⅝	Do 8½pc '80-82‡‡	86¼	+⅛	10.12	12.25
104⅞	86⅝	Treasury 12pc 1983‡‡	97¼	+⅛	12.51	12.86
78	58	Funding 5½pc '82-84‡‡	72⅞	+⅛	7.74	10.95
85¼	61⅞	Treasury 8½pc '84-86‡‡	80½	+⅛	10.95	12.31
73¼	51⅞	Funding 6½pc '85-87‡‡	66⅝	+⅛	9.78	11.95
76¼	53	Treasury 7¾pc '85-88‡‡	71½	+⅛	11.20	12.78
47½	32⅞	Transport 3pc '78-88	44⅛	+¼	6.97	11.76
56⅞	39¾	Treasury 5pc '86-89	51½	+¼	9.78	12.48
75½	53¼	Treasury 8¼pc '87-90‡‡	66⅛xd	+¼	12.33	13.51
		Over Fifteen Years				

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 63⅛% (based on $2.0685 per £)

CANADIANS

S.E. List Premium 63⅛% (based on $2.1092 per £)

Conversion factor 0.6127 (0.6090)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND
Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS
India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£14¼	360	Durban Deep R1	390	−10	‡Q110c	ϕ	‡
£14	520	E. Rand Prp. R1	655	−15	‡Q015c	ϕ	‡
105	28	Rand Leases 2½c	28	......	—	—	—
£34½	£15¾	Randf'tn Est. R2	£18¾	−¼	—	—	—
500	150	West Rand R1	165	−5	‡Q40c	1.9	‡

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
370	175	Bracken R1	215	−5	Q52c	ϕ	13.4
23	5	Daggafontein 50c	13	......	—	—	—
105	37	East Dag R1	40	......	‡Q25c	ϕ	‡
140	£	Grvl. Areas 5c	140ϕ	......	—	—	—
380	120	Grootvlei 30c	145	−5	‡Q32c	1.1	‡
820	410	Kinross R1	460	−5	Q54c	ϕ	6.5
190	70	Leslie 70c	76	−2	Q18c	ϕ	13.1
550	165	Marievale 70c	215	−5	‡Q24c	1.1	‡
725	200	S. African Ld. 35c	250	−20	‡Q65c	1.2	‡
265	82	Vlakfontein R1	116	−4	Q35c	1.3	16.8
£13¾	720	Winkelhaak R1	845	−10	Q108	ϕ	7.1
120	36	Wit. Nigel 25c	48	−3	—	—	1.4

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£11	620	Blyvoor 25	660	−20	Q100c	1.3	8.4
£21½	£12¾	Buffels R1	£15	−½	Q180c	1.4	6.7
430	235	Deelkraal R0.20	236	−16	—	—	—
£24¼	610	Doornfontein R1	820	−20	Q110c	1.4	7.2
£12¾	725	East Drie R1	940	−30	†55c	ϕ	3.8
450	200	Elsburg R1	225	−5	Q45½c	—	11.2
£31	£15	Hartebeest R1	£18¾	−¼	Q215c	1.4	6.3
£13¾	730	Kloof Gold R1	800	−15	Q55c	1.4	3.8
£17¼	650	Libanon R1	730	−10	Q110c	1.9	8.3
£13¾	600	Southvaal 50c	800	−15	Q9c	0.9	0.6
480	210	Stilfontein 50c	235	−10	‡Q55c	1.3	‡
£33¼	£17	Vaal Reefs 50c	£23	−¼	‡Q222c	1.7	‡
£11½	290	Venterspost R1	370	−10	Q70c	1.9	10.5
£55	£33	W. Drie R1	£39¾	−¼	Q485c	1.2	6.7
745	275	W'st'rn Areas R1	345	−10	†Q70c	1.4	11.2
£23	£13	Western Deep R2	£16¾	−½	‡Q160c	1.4	‡
530	290	Zandpan R1	320	−5	Q35½c	1.0	6.2

O.F.S.

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
400	160	Fr. State Dev. 50c	210	......	Q14c	1.6	3.7
£32¼	£19	F.S.Geduld 50c	£22¾	−½	330c	ϕ	8.1
265	115	F.S. Saaiplaas R1	148	−2	26c	—	2.2
960	550	Harmony 50c	570	−20	Q77c	1.8	7.5
575	170	Loraine R1	200	−12	Q6c	ϕ	1.7
£28¼	£17¼	Pres. Brand 50c	£20	−¼	Q250c	ϕ	6.9
£25½	£11¼	Pres. Steyn 50c	£12¼	−¼	Q125c	ϕ	5.6
£39¾	£19¾	St. Helena R1	£24¼	......	Q250c	ϕ	5.7
540	170	Unisel	196	−2	—	—	—
525	245	Welkom 50c	325	−5	Q55c	ϕ	9.4
£40	£23	W. Holdings 50c	£27½	−½	Q475c	ϕ	9.9

FINANCE

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
520	313	Ang. Amer. 10c	384	−1	†Q29c	2.0	4.2
£45½	£27½	Ang. Am. Gold R1	£32	−½	†Q250c	1.4	4.3
£16¼	850	Ang-Vaal 50c	£14	−¼	Q95c	3.7	3.6
205	87	Charter Con.	174	−2	6.21	2.2	5.5
290	188	Cons. Gold Field	212	−2	6.7	4.3	4.9
32	17	E. Rand Con. 10p	20	......	0.92	1.4	7.1
435	230	Geduld Inv. R1	310	......	†Q34c	0.4	6.1
£38¼	£19	Gen. Mining R2	£23	......	‡Q210c	2.1	5.1
£39	£20½	G.Fields S.A. 25c	£24½	−½	Q225c	1.3	5.1
£27¼	£12	Joburg Cons. R2	£23¾	−¼	Q165c	2.5	3.8
530	260	Middle Wit 25c	390	+10	Q28c	2.0	4.0
315	182	Minorco SBD1.40	192	−2	Q14c	—	4.0
305	140	New Wit 50c	192	−3	Q20c	1.6	5.7
£11	730	Patino NV Fls.5	730	−40	QC40c	10.5	4.6
£11	660	Rand Selection 50	780	......	Q75c	ϕ	5.4
695	485	Selection Trust	512	+2	14.0	2.0	4.2
450	225	Sentrust 10c	245	−5	Q30c	1.2	6.8
81	27	Silvermines 2½p	46	+1	‡a4.0	1.6	‡
170	120	SW Africa 20p	130xd	......	17.87	2.0	21.2
£14	560	T'vaal Cons.Ld.R1	£12	+½	Q65c	ϕ	0.0
475	250	U.C. Invest R1	290	−5	Q36c	1.2	6.9
580	355	Union Crp. 6.25c	420	−5	Q42c	1.6	5.5
£23	13	Vereeniging (R2)	£22	......	QR1.15	ϕ	2.8
105	30	Vogels 2½c	88	−2	Q6c	1.0	3.8

DIAMOND AND PLATINUM

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
£35	£15¼	Anglo-Am.Inv 50c	£32	......	Q290c	1.0	5.0
146	48	Bishopsgate Pl. 10c	94	−2	Q3.1	ϕ	1.8
333	161	De Beers Df. 5c	318	+1	Q25c	2.2	4.3
£17	£11½	Do. 40pc Pf. R5	£15	......	1.10	125.5	7.2
152	80	Lydenburg 12½c	108	−2	Q2.9c	ϕ	1.5
248	100	Pot. Plat. 2½c	178	−2	Q5c	ϕ	1.6
212	94	Union Plat. 10c	158	−2	Q4.9bc	ϕ	1.7
212	95	Waterval 5c	157	−3	Q5.2c	ϕ	1.8

CENTRAL AFRICAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
345	150	Coronation 25c	185	−5	Q34c	ϕ	10.2
250	160	Falcon Rh.50c	165	......	†Q35c	ϕ	—
52	38	Globe Phnix 12½p	40	......	1.25	ϕ	4.8
24	15	Rho.-Corp. 16⅔p	17	......	Q5	8.0	4.9
440	200	Roan Cons. K4	210	......	Q16.0	ϕ	7.6
230	92	Tanganyika 50p	158	......	‡Q26	1.2	‡
75	60	Do. Pref. 80p	65	......	Q9	18.0	11.6
38	26½	Wankie Col. Rh.1	36	......	Q6½c	ϕ	10.0
70	31	Zam.Cpr.SBD0.24	38	......	Q1.90	3.2	5.0

AUSTRALIAN

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
28	10	Acmex 25c	23	......	—	—	—
138	95	A. M. and S. 50c	122	......	‡Q14c	1.5	‡
122	74	Bougainville 50c	84	−2	Q27½c	3p	‡
242	145	Bkl South 50c	160	......	—	—	—
215	70	Gold M.Kal.z.51	80	......	—	—	—
85	36	Gt. Boulder 10c	69	......	ϕQ2c	−2.8	1.6
137	70	Hamptn Areas 5p	82	......	1.18	4.2	2.2
115	30	Metals Ex. 50c	34	......	—	—	—
43	14	Metramar 30c	20	......	—	—	—
246	117	M.I.M. Hldgs. 50c	194	......	Q10c	1.8	2.9
135	80	M. Lyell 25c	85	......	Q5c	ϕ	3.4
5	1½	Newmetal 10c	2½	−½	—	—	—
155	102	North B. Hill $1	138	......	Q9c	1.4	3.7
16½	7	North Kalg. 30c	11	......	—	—	—
87	47	Oakbridge $A0	84	......	Q8c	0.9	5.4
21	8	Pacific Cppr. 25c	18	......	—	—	—
730	220	Pancont'l 25c	715	−10	—	—	—
25	9	Paringa M&Ex.5p	10	......	—	—	—
450	235	Peko-Walls'd 50c	440	+10	Q15c	ϕ	1.9
345	145	Poseidon 20c	165	......	—	—	—
4	2	Seamander 25c	4	......	—	—	—
26	8	Vultan Min. 50c	10	......	—	—	—
6	4	Westmex 10c	5	......	—	—	—
214	137	W. Mning 50c	139	−7	‡Q8c	0.8	4.3
50	26	Whim Creek 20c	26	......	—	—	—

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
56	32	Amal. Nigeria	40	......	5.62	1.6	21.6
161	77	Ayer Hitam	147	+1	13.0	ϕ	13.6
36	10	Beralt Tin	13½	......	—	—	—
424	268	Berjuntai SM25	325	......	QSM2	ϕ	10.8
18	13	Ex Lands 10p	15	......	15	3.8	15.4
246	153	Geevor	155	......	12	2.3	11.9
18	9	Gold & Base 12½p	9	......	—	—	—
288	157	Gopeng Cons.	187xd	−3	‡14.25	ϕ	‡
73	55	Hongkong	62	......	—	—	—
58	40	Idris 10p	55	......	6.7	2.2	18.7
11	7	Jantar 12½p	8	......	—	—	—
68	41	Kamunting 15p	45	......	7.0	1.2	23.9
165	135	Killinghall	135	......	48	—	13.7
192	106	London Tin 20p	157xd	−1	7.0	1.3	6.9
220	93	Malay Dredging	182	+1	g43.9	1.6	9.3
41	22½	♦Pahang	37	......	Qh2.6	ϕ	10.8
65	41	Pengkalen 10p	46xd	......	7.0	1.0	23.4
102	75	Petaling SM1	100	......	—	—	—
23	8	Saint Piran	18	......	0.63	3.5	5.4
135	68	South Kinta (10p)	102	+2	9.5	1.5	14.3
180	73	Sthn. Malayan	142	......	g43.9	1.4	11.9
83	41	Sungei Besi 20p	42	......	‡6.0	3.0	‡
43	29	Sungei Way SM1	29	......	ZQ10	—	6.0
84	48	Tanjong 15p	52	......	4.35	2.3	12.9
75	50	Tongkah Hb SM1	53	......	‡Q30	1.3	‡
93	42	Tronoh	64	+1	†4.02	3.5	9.7

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
112	52	Botswana RST R2	54	−1	—	—	—
390	196	Messina R0.50	295	+5	†Q35c	2.9	6.6

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld Gr's
8½	3	Burma Mine 17½p	8	......	m0.5	—	1.7
65	17	Chaterhall 5p	43½	−1	—	—	—
115	40	Colby Mines $1	70	......	—	—	—
760	360	Cons. Murch. 10c	760	+30	‡Q130c	2.2	‡
53½	29½	Lamrasia	43	+7	—	—	—
375	200	Northgate C$1	235	......	Q65c	1.0	13.2
211	80	R.T.Z.	182	−3	g5.51	4.4	4.7
135	47½	Sabina Inds. C$1	96	+1	—	—	—
81	45	Stamford Mines ||	45	......	—	—	—
£12½	874	Tara Exptn. $1	£10⅛	......	—	—	—
78	38	Yukon Cons. C$1	69	−1	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are *adjusted to ACT of 35 per cent. P/Es are calculated on the basis of* net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ↔ Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. M Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 23

FINANCIAL TIMES

Tuesday November 11 1975

Warring factions no nearer to peace as Angola greets independence

BY JANE BERGEROL IN LUANDA

AS HEAVY *mortar-fire* between rival forces fighting *about 15 miles from Luanda* could be heard inside the *capital city, 500 years of* Portuguese rule in Angola and Africa ended at midnight tonight.

Portugal, through its departing High Commissioner, recognised the sovereign state of Angola, but has not so far given any hint on whether it will recognise the national unity government to be proclaimed here tonight by the MPLA (Popular Movement for the Liberation of Angola) or any other government proclaimed *by* either FNLA (National Front for the Libera*tion of Angola*) or *UNITA* (National Movement for the *Total Independence of Angola*).

The MPLA is expected to *announce the birth of the* People's Republic of Angola at midnight in an independence ceremony at the First of May Stadium, under the presidency of Dr. Agostinho Neto, the party leader.

Meanwhile all MPLA troops are on full alert and Luandans *have been warned not to drink* alcohol so that they are ready *for* self-defence against aggression if necessary.

At least nine OAU African countries are to recognise the new people's republic, but how many others will commit themselves to the MPLA State will probably only become clear after days, if not weeks.

There was no news in Luanda as to how the other two guerilla movements were planning to celebrate independence. The FNLA is backed by Zaire and holds an area to the north of the MPLA. The third movement, UNITA, occupies the south.

At mid-day to-day in the chandelier-lit ballroom of the Governor's palace in Luanda the last High Commissioner, Admiral Leonel Cardoso, solemnly proclaimed independence, to take effect from midnight, allowing him, his staff, and remaining Portuguese troops to slip onto vessels anchored in the harbour this afternoon and prepare to steam back to Lisbon.

In his proclamation Admiral Cardoso proclaimed full Angolan sovereignty "rooted in the Angolan people, to whom it falls to decide the form of exercise of this sovereignty."

Pleading Portugal's goodwill and efforts to reach an independence agreement on the lines of last January's Alvor

Lisbon may disband military police, Page 6
Feature, Page 20

Accord between the MPLA, Holden Roberto's FNLA and *Dr. Jonas Savimbi's* UNITA, the High Commissioner spoke *bitterly of international inter*vention in Angola. "The real culprits for the thousands of dead bloodying the face of Angola are not self-critical and remain interested spectators far away from the firing of the weapons they are supplying," he said.

In Luanda, everything is quiet as people prepare for to-night's celebration and tomorrow's Government investitures. It is not yet clear whether the new Prime Minister will be Lopo de Nascimento, the MPLA partner in the former "presidential college" of the transition government, combining the three movements, or Lucio Lara, who was expected to perform the office of investing Dr. Neto as President.

Some *delegations from* friendly African countries are expected to arrive *during the* evening, to supplement repre*sentatives from the already* independent former Portuguese *colonies of Mozambique,* Guinea Bissau, Cape Verde, and Sao Tome and Principe. Several countries have sent party officials to the independence celebrations but they do not have government status.

Heavy artillery fire has been heard most of the day as FNLA troops apparently launched an attack against the Kifandongo water pumping station north of Luanda, which supplies the capital city with its entire water supply. Whether a full-scale FNLA offensive against the capital is now beginning remains to be seen, but at the least it apears the FNLA forces are intent on *demoralising* Luandans at independence by cutting off their water supply.

On the military front, MPLA *is regrouping for an attack on* the mercenary-led FNLA and *UNITA troops which captured* the key ports of Lobito and *Benguela* last week. Fighting continues in the north and centre of the country.

Diplomatically, the new MPLA Government, and certainly President Agostinho Neto, is expected to send a message to the Organisation of African Unity asking for its support in the new struggle for Angolan peace. But no official OAU delegates are expected to attend to-night's ceremony, though several OAU member countries will of course be here.

Angola is a big oil producer and was until recently the world's third largest coffee producer. It also exports diamonds and iron ore and has *untapped resources of uranium,* as well as other minerals.

Unions agree to BR cuts for new redundancy deal

BY CHRISTIAN TYLER

BRITISH RAIL and the three rail unions reached agreement last night on new redundancy terms, avoiding a row over BR's present round of economy cuts.

The agreement, reached after *four hours of negotiations* in London, means that the Board's *planned cuts on services* in the New Year can go ahead. Assuming that the *national executives* of the unions endorse the terms *at meetings to-day,* the ban on local discussions between management and unions will be lifted.

British Rail has agreed that until June 30 next year, all staff —about 191,000—will be eligible for redundancy money, not just those with five years' service. Employees will be offered "reasonable" alternative employment if they are considered surplus. If they refuse the alternative job they can be dismissed on full redundancy pay.

There is no indication yet of how many jobs may be lost. But Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen, said: "A lot of our members who would have been redundant *at Christmas will not* be. What we have achieved is a *stay of execution.*"

The unions, who will now *negotiate improved redundancy* and allowance money with BR, *hope* that a *clear transport* policy will have emerged by next *June* and that the picture will be less black by then.

Last night's agreement means that the unions have now accepted *not only cuts in overtime* and rest day working, but also some *measure of redundancy.* In return, they have gained better terms and some delay on the effects of the rail cuts.

Mr. Sidnew Weighell, general secretary of the National Union of Railwaymen, said: "The Board has finally agreed to tackle this in a sensible way

The national executives of the NUR and ASLEF will be considering the agreement to-day and later all three unions, including the Transport Salaried Staffs Association, will look at the longer-term implications of BR's economy drive.

A British Rail spokesman said that local talks with the unions could begin almost immediately.

Arthur Smith writes: Earlier, British Rail announced cuts in Western Region train services, planned from January 5, to save £500,000 a year.

Sunday services will be withdrawn on the Henly branch between January 11 and May 2, and Saturday local services between Reading, Newbury and Bedwyn will be reduced.

Western Region said details of minor adjustments to local services were still being worked out and that no changes were contemplated in South Wales.

Inter-City services, apart from *five trains making additional* stops, will be unaffected.

Southern Region has already announced details of cuts aimed *at saving £800,000 a year.* Midland withdrew some services last *month to realise savings of* £250,000 and further cuts are *proposed.*

Eastern Region proposals in*clude reductions of 16 per cent.* on the Kings Cross to Hitchin *service and 20 per cent. on lines* to Chingford, Enfield, Hertford East and Shenfield.

Moroccans claim deal near as marchers go home

BY OUR OWN CORRESPONDENT RABAT, Nov. 10.

A VAGUE PROMISE of a negotiated settlement with Spain was all the Moroccan Government had to offer the 350,000 bemused "peace marchers" drifting back to Morocco to-day after spending four days occupying a small patch of desert in Spanish Sahara.

Last night King Hassan ordered the marchers to return, saying the march had achieved its objectives.

According to M. Ahmed Benhima, the Information Minister, this morning, the objectives attained seem to be that Spain was obliged to agree to a peaceful settlement by direct negotiation and that the marchers had achieved this when the UN had been unable to.

An official Moroccan delegation would go to Madrid within 48 hours to reopen negotiations, he said. There was no agreement yet, only an "understanding," but an accord was in the offing.

As one Western diplomat said, the King "virtually admits that no progress has been made and that he is back to square one, at least if we assume there has been no secret deal already."

The marchers were also back were they started. M. Benhima said they would not be disbanded and sent home but would return to their base camp at Tarfaya, 20 miles from the border, and stay there until a "political result" is achieved.

If the talks succeeded they would go to El Aaiun, capital of the territory: if they failed, then the march would start again.

Although the King is now back where he was three weeks ago, there is one new factor. As one political party leader said: "He must produce something very substantial—and very quickly" or else there could be an explosion of pent-up frustration—not only among the marchers, who are mostly semi-literate, but especially among the much more politically-aware urban classes led by the parties who are nearly all in the Opposition.

The Moroccan parties generally tend to accuse the Government of "improvisation" in foreign policy, but the prevailing feeling, or at least the hope, in political circles is that "there must have been some secret agreement already," as one leader said.

Roger Matthews reports from Madrid: Intense diplomatic activity is expected in Madrid this week, as Spain seeks to extricate itself from the Spanish Sahara.

Alhough the decision by King Hassan to withdraw the marchers was greeted here with relief, no one is pretending that the issue is any nearer a solution.

A team of Moroccan officials is likely to arrive in Spain shortly and may be followed by representatives from Mauretania and Algeria, the other two countries with an interest in the colony's future.

Editorial comment Page 20

'Reconciliation' move offers ray of hope for Prentice

BY JOHN BOURNE.

THE ORGANISATION Committee of Labour's National Executive last night held the door slightly ajar for Mr. Reg Prentice, Minister for Overseas *Development, who had appealed* against his local party's decision to replace him as Labour MP at the next general election.

While recommending that his appeal should be dismissed on the grounds that the local party had broken no rules, it decided to ask Mr. Ron Haywood, Labour's general secretary, to undertake a mediatory role between Mr. Prentice and his left-wing critics in the Newham North-East Labour party.

Reconciliation

As Mr. Anthony Wedgwood Benn, Energy Secretary, and a member of the Organisation Committee, commented at the meeting: "Mr. Haywood is being sent in an attempt to achieve a Kissinger reconciliation."

The nomination of Mr. Haywood came from Mr. Ian Mikardo MP, a left-winger traditionally opposed to many of the policies Mr. Prentice has voiced. He also proposed that the general secretary report to the January meeting of the Organisation Committee.

The original suggestion from the Organisation Committee's special inquiry team into the dispute was a strong recommendation that the constituency party and Mr. Prentice should make a genuine attempt to achieve a reconciliation.

It went on that this should be based *on the acceptance of the* 1974 election manifesto, and that a *representative should attend,* on behalf of the National Execu*tive, a meeting of the general* committee of the Newham NE party

Mr. Mikardo's amendment struck out this last section, including the reference to the election manifesto. One of Mr Prentice's arguments to the inquiry team had been that in his policy differences with Left-wingers at Newham he had always followed the national party's commitments in the manifesto.

The inquiry team's report strongly deplored the interventions on both sides from outside the local party—"some of which were extraneous and *harmful* to the constituency and also to the *process of this inquiry.*" This was *a reference to the activities of both the Left wing and of the* Social Democratic Alliance and those Right-wing MPs who had publicly championed Mr. Prentice's case.

But the team was satisfied *that the constituency party had* carried out the correct procedures and that the only breach of the constitution had related to the votes of the paid secretary/agent who was not qualified to vote, but "this had no effect" on the final decision of the General Committee. "For these reasons it is recommended (to the Executive) that the appeal *of Mr. Prentice be dismissed.*"

Decision

Mr. Prentice said later he thought the Organisation Committee had taken a wrong decision and failed to give the necessary leadership. He would co-operate "of course" with Mr Hayward in his mission, but intended still to stand by his principles and not compromise upon them.

It is understood one reason why Mr. *Mikardo suggested the* Hayward mission was that he *feared that otherwise the mission* might consist of several members *of the Executive who would* fail because of their opposing *political points of view.*

Last night the Organisation Committee was due to have discussed a report by Mr. Reg Underhill, the party's national agent, on attempts by extreme left wing groups to *infiltrate* the Labour Party, particularly among the Young Socialists and in some constituency parties.

Bu the committee last night had no time to discuss the report and agreed to do so at a later meeting.

Penguin to buy major stake in Viking

By Arthur Sandles

PENGUIN PUBLISHING, a sub*sidiary of Pearson Longman, is acquiring a majority interest in* Viking *Press,* one of America's prestige hardback publishing houses.

Talks between Penguin and Viking have been spurred on by recent moves in the U.S. to break up agreements under which British and American publishers divided the world between them. There is now some pressure on U.K. publishing houses to secure a direct foothold in the U.S. Penguin may not be the last to make such a move.

Penguin's U.S. subsidiary, *Penguin Books Inc., will merge* with The Viking Press producing a new joint company, Viking-Penguin Inc. The Midhurst Corporation—a U.S. subsidiary of S. Pearson and Son, which controls Pearson Longman—is providing $3m. additional equity capital for development.

Midhurst is paying the Guinzburg family, which has built up Viking over the past 50 years, up to $9m. Some of this cash is due on completion of the deal, and the rest after four years, *although the second payment* will be based on an earnings *formula and is subject to* various options.

Viking is one of the best known quality publishing houses in the U.S. with a backlist of about 3,000 titles and a current output of around 300 new titles a year. It has three Nobel prize winners among its authors and employs Mrs. Jacqueline Onassis as a consulting editor. The company has particular strengths in children's book publishing and also has a smaller paperback publishing activity.

The Penguin and Viking imprints will remain separate. There will be an "arms length" relationship between the two companies but Penguin expects to become a much bigger force in the U.S.

Mr. Jim Rose, chairman of The Penguin Publishing Company, will become chairman of the Viking Penguin Inc.'s Board. Mr. Thomas H. Guinzburg, president of *Viking,* will become president and chief executive of Viking *Penguin,* and will join the Boards of Penguin Publish*ing and Longman-Penguin in* Britain.

U.K. yards may win order for oil fire ships

BY RAY DAFTER

OFFSHORE OIL companies are expected to invest more than £30m. in fire-fighting vessels to patrol North Sea rigs and platforms.

The companies, under the umbrella of the U.K. Offshore Operators' Association, are likely to place orders for the ships within a matter of weeks.

There is a strong possibility that the vessels will be built in *British yards, in spite of strong* competiton from overseas.

The association's offshore fire and pollution control committee *has been considering* a number of designs. It is thought likely *it will recommend* the use of four vessels, each of 4,000 tonnes gross.

The shipbuilding yards of Scott Lithgow on the Clyde and Appledore in North Devon are understood to be in the running to build two ships apiece.

The association, representing 42 oil companies operating in the North Sea, stressed yesterday that no decision had yet been taken.

The industry has received over a dozen designs for a possible fire-fighting fleet, with schemes which could have cost up to £50m. or more. The designs have varied from purpose-built vessels to converted tugs.

It is understood that a short-list of three has been chosen: one British, one Dutch and one Norwegian.

Tenders *have also been re*ceived from a number of ship*yards around the world. Although* Japanese yards are thought to have quoted a price between 10 and 20 per cent. below U.K. building prices

Continued from Page 1

Raw materials cost up

single paragraph warning in the July counter-inflation White Paper that: "Some prices, like the cost of imported oil, food and raw materials, are not within our control, however. A big increase in import prices would impose on us a *further* reduction of our standard of living and it would then take longer for this policy to achieve our *inflation target.*"

● Other statistics released by the *Department of Industry yester*day confirmed provisional esti*mates that retail sales, while 18* per cent. higher by value in *September than a year earlier,* were sharply down after allowing *for inflation.*

At 106.0 (base 1971=100) sales *volume was 5½ per cent. less than* in September, 1974, and in the *three months July-September* volume was 3.1 per cent. lower *than in the previous three* months.

The reduction was much sharper in the case of non-food shops. Sales in the third quarter were 5.0 per cent. lower than in the second, with sales of consumer durables down 14 per cent.

The recession and the accom*panying squeeze on consumers'* real incomes have been such *that major chains are reporting* sales well below previous esti*mates. And for most of this year* the sales volume reported by *food shops has been lower than* that recorded in 1971-74.

New hire-purchase extended by finance houses and retailers *fell a further 3 per cent. in the* third quarter (to £733m. *according to DI figures*), *although* September was the first month *since the pre-VAT spending* spree in April that the season*ally adjusted h.p. figures showed* an increase (of £12m. to £252m.).

At £2.25bn. the total h.p. debt outstanding at end-September was 2 per cent. less than a year earlier.

THE LEX COLUMN

Sales strength at Lucas

Lucas *says* there is nothing unusual about a year in which *nearly three-fifths of its profits* are earned in the second half, but the market was certainly surprised by the year's rise from £17.6m. to £32.3m. pre-tax. In the U.K., where the three-day week was said to have cost £9m. a year ago, profits are just over £10m. higher at *£18.4m. after £2½m. redundancy* costs. Overseas profits are *£4.3m. up at £13.9m.,* with little help from currency gains and volume growth running as high as 20 per cent. Provisions of £2m. on the "cheap" Swiss franc loans have been taken below the line.

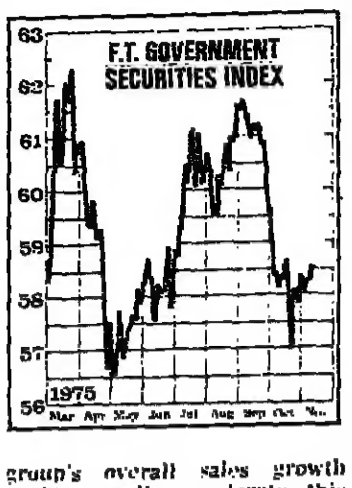
Continental *Europe* has provided the main momentum, *with a 75 per cent. jump in the* value of sales to £109m., or nearly a fifth of the group total. Lucas claims to be achieving larger shares of a market which is now visibly recovering in France and Germany—the two most important countries in sales terms — and overseas *volume growth could be as* strong again this year.

At home, total passenger car production dropped a sixth over the year, and the group has clearly had problems in its electrical businesses. But the brake side has been helped by its relatively strong customers *(Ford) and diesel equipment* has done well. Another poor performance in aircraft equipment, which is producing negligible profits on sales of £71m., is explained by heavy research costs, fixed price con*tracts and strikes: a recovery* is expected this year, and *industrial products should also* extend their improvement.

Below the line, the fixed asset replacement transfer has risen by £4m. to £10m. Although net cash flow is two thirds higher at £34m., capital spend*ing has risen to £27m. and short* term debt is over £9m. higher. *However, the gearing pattern is* not much changed, with net debt representing just a third of shareholders' funds, and Lucas sounds content with its balance sheet structure ahead of another year of higher capital spending.

A sizeable part of this is going on diesel equipment, which *makes up a fifth of group sales* and is scheduled to be a major source of growth over the next few years. Home demand is likely to be flat in 1975-76, yet about 70 per cent. of output on this side is exported in one *form or another: there is no* short time working anywhere in the U.K. at present, and the group's *overall* sales growth could actually accelerate this year. *All this helps to explain* the very marked share price strength *recently*—at 155p, up another 7p, the p/e is 6.7, and the yield of 5½ per cent. is covered 1½ times excluding the (partial) inflation adjustment.

Index fell 1.9 to 367.4



Gilts

With the FT Government Securities Index almost back to where it was before the Chancellor's Mansion House speech on October 16—at 58.51 *against 58.68—the* Government Broker has once more been accelerating his *sales* programme. The short tap Treasury 9 per cent. 1978 "B" ran out yesterday, there seemed to be sizeable demand for the short/medium stock Treasury 11½ per cent. 1981 and the GB also re*activated the long tap Treasury* 12½ per cent. 1992. But the fact that he was willing to supply the latter stock at the same price as three and a *half* weeks ago without making allowance for accrued interest did not please the bulls, for the effective yield has been raised *slightly.*

Still, the market was firm enough to absorb this and some uninspiring wholesale price indices for October without too much trouble. What happens now depends on whether the authorities judge that Friday's trade figures are good enough *to allow a drop in MLR. It is* unlikely that longs can get very enthusiastic without a fall in short term money rates. Substantial institutional liquidity could be available for gilts, however, if the right conditions can be created. And clients are rather more bullish than brokers *judging by last week's* debate on interest rates at Society of Investment Analy... Overall, those expecting higher rates in a year's ti... were just in the majority, af... a recount.

Acrow

Acrow's share price has ri... by over 90 per cent. since confident preliminary statem... in mid-August, and few will disappointed with the progr... in the first half of 1975-76 30 per cent. pre-tax profits ... to £3m. Exports (55 per c... of total turnover) accounted the whole of the interim s... gain of a third, and much of advance has *come from* former Steel Group compar... Thus both the mobile cr... division, which recov... strongly last year, and the e... vator side have performed and have "very good" o... books.

Of the original Acrow in... ests, bridge sales are also ahead, but U.K. demand for *struction equipment* and tainers is generally down... recession has, however, rem... the steel supply problems that *stocks have fallen* cons... ably from the end March ... Overall there appear to be signs of a slackening in mo... tum with external target... over £7m., against £5.9m. a capitalisation of £30.5m 111p for the "A" seems wel... with these prospects, wit... probable *yield of 5.7 per c...*

JFB

Johnson and Firth Bro... proposals for the early co... sion of its 9½ per cent. secured loan stock are sin... in aim, if not scale, to Guinness Peat operation month. *Shareholders' funds* justed for the Greening acq... tion) stand to rise by £3.8m £48.9m., with borrowings duced by a similar amoun... £37.3m.—a drop in the d... equity ratio from 91 to 76 cent. with a further five p... clipped off since the end of by the *sale of two investm...* As with the GP offer, conve... would probably have occu... anyway since the yields within half a point and effective conversion price 59½p compares with a ... *price of 33p.* So in return an extra equity dilution of half a per cent., *the* com... is giving a further nudge to version now rather than at final date in two years—gi... ing flexibility to meet incre... working capital needs on an turn in the copper price steel cycle.

Weather

U.K. TO-DAY

SHOWERS and sunny spells. *Mainly dry in the west.* Fog and frost in places.

London, E. and S.E. England, E. Anglia
Showers. Some early fog. Wind S.E., light. Max. 9C (48F).

S.W., Cent. England, Wales, Midlands, Channel Is.
Sunny spells. Some fog and frost. Wind S.E., light. Max. *10C (50F).*

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray Firth N.E. Scotland
Showers. Early fog and frost. Wind S.E., light. Max. 8C (46F).

N.W. England, Lakes, I. of Man, S.W. Scotland, Glasgow, Cent. Highlands
Sunny spells. Some fog. Wind *S. light. Max. 8C (46F).*

Outlook: Occasional rain.

Lighting-up: London 16.48, Manchester 16.50, Glasgow 16.49, Belfast 17.01.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	5	41	Manchstr.	C	7	45
Athens	C	18	64	Melbourne	C	16	61
Barcelona	F	14	57	Mexico C.	S	20	68
Beirut	C	18	64	Milan	R	9	48
Belfast	C	7	45	Montreal	C	15	59
Belgrade	C	11	52	Moscow	Dz	2	36
Berlin	S	5	41	Munich	C	2	36
Birmghm.	F	7	45	Newcastle	F	8	46
Bristol	S	7	45	New York	R	18	64
Brussels	C	5	41	Oslo	C	1	34
Budapest	C	7	45	Paris	C	7	45
B. Aires	S	18	64	Perth	S	26	79
Cairo	S	26	79	Prague	C	6	43
Cardiff	C	7	45	Reykjavik	C	7	45
Cologne	C	6	43	Rio de J'o	C	30	86
Copnhagn.	S	10	50	Rome	F	17	63
Dublin	R	7	45	Singapore	S	31	88
Edinb'rgh	F	8	46	Stockholm	C	5	41
Frankfurt	C	7	45	Strasbourg	C	7	45
Geneva	C	7	45	Sydney	S	22	72
Glasgow	C	6	43	Tehran	S	10	50
Helsinki	C	5	41	Tel Aviv	F	22	72
H. Kong	C	23	73	Tokyo	C	15	59
Jo'burg	C	27	81	Toronto	R	16	61
London	F	8	46	Vienna	C	6	43
Luxembrg.	C	5	41	Warsaw	F	6	43
Madrid	F	11	52	Zurich	S	7	45

HOLIDAY RESORTS

Ajaccio	F	13	55	Las Plms.	S	21	70
Algiers	S	20	68	Locarno	C	9	48
Biarritz	S	15	59	Majorca	F	18	64
Blackpool	F	7	45	Malaga	C	18	64
Bordeaux	S	11	52	Malta	F	21	70
Boulogne	S	7	45	Nairobi	S	24	75
Cape Tn.	S	24	75	Naples	C	13	55
Corfu	C	19	66	Nassau	S	29	84
Dubrovnik	C	16	61	Nice	F	15	59
Faro	C	18	64	Nicosia	S	21	70
Florence	F	13	55	Oporto	C	14	57
Funchal	C	18	64	Rhodes	S	20	68
Gibraltar	F	15	64	Salzburg	C	7	[illegible]
Guernsey	F	9	48	Tangier	C	22	72
Innsbruck	S	10	50	Tenerife	S	19	66
Inverness	C	7	45	Tunis	S	20	68
I. of Man	R	7	45	Valencia	S	16	61
Istanbul	C	13	55	Venice	R	9	48
Jersey	C	9	48				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Dz—Drizzle.

Registered at the Post Office. Printed by St. Clements Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4.
V G H